

July 24, 2003

IN RE: DOCKET NO. 2002-367-C & 2002-408-C

**COPY OF DIRECT TESTIMONY OF JOHN A. RUSCILLI AND  
WILLIAM E. TAYLOR, PH.D. FILED ON BEHALF OF BELL SOUTH  
HAS BEEN DISTRIBUTED TO THE FOLLOWING:**

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July 23, 2003

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The Honorable Gary E. Walsh  
Executive Director  
Public Service Commission of South Carolina  
Post Office Drawer 11649  
Columbia, South Carolina 29211



Re: Generic Proceeding to Address Abuse of Market Position  
Docket No. 2002-367-C  
Proceeding to Define the Term "Inflation-Based Index"  
Docket No. 2002-408-C

Dear Mr. Walsh:

Enclosed for filing are the original and twenty-five copies of the Direct testimony of BellSouth Telecommunications, Inc. ("BellSouth") witnesses John A. Ruscilli and William E. Taylor, Ph.D. in the above-referenced matters. The following is a very brief summary of this testimony.

# **I. Proposed Definition of Abuse of Market Position**

BellSouth believes that the Commission should define "abuse of market position," as that term is used in Section 58-9-576(B)(5), as "any anticompetitive pricing conduct that harms the competitive process." This definition is similar, but not identical, to Staff witness Dr. James Spearman's proposed definition of "any action that effectively prohibits a new firm from entering a market."

The definition should refer to "anticompetitive" conduct, rather than "any action," because not all action that effectively prohibits a new firm from entering the market harms competition. Assume, for example, that a firm that wants to enter the market is relatively inefficient and that, as a result of that inefficiency, it simply cannot compete with the prices being offered by the other competitors in the market. The competitive, appropriate, and lower prices offered by the other competitors may effectively prohibit the new firm from entering the market, but there is nothing anticompetitive or improper about that. To the contrary, that is exactly how competition is supposed to work. Accordingly, only actions that harm competition should be prohibited.

This definition should refer only to "pricing" conduct, rather than any conduct, because S.C. Code Ann. §58-9-576(B)(5) reads:

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The LEC's (sic) shall set rates for all other services [that is, for services other than flat-rated local exchange services for residential and single-line business customers] on a basis that does not unreasonably discriminate between similarly situated customers; provided, however, that all such rates are subject to a complaint process for abuse of market position in accordance with guidelines to be adopted by the commission. (Emphasis added)

By stating that "rates" are subject to a complaint process for "abuse of market position," the statute makes it clear that the Commission may only consider whether pricing behavior constitutes an abuse of market position.

Additionally, while BellSouth agrees with Staff witness Dr. Spearman that more and more competitors in the local exchange market are selling bundled offerings, BellSouth does not believe that this should be a matter of concern to the Commission. As explained in the attached testimony, the Federal Communications Commission ("FCC") has found that bundling is consumer-friendly and pro-competitive. The FCC also has found that existing safeguards are sufficient with regard to bundling. Finally, many local exchange service providers already are offering both residential and business customers in South Carolina a wide array of bundled offerings.

## **II. Proposed Criteria for Determining Whether Various Pricing Conduct Constitutes "Abuse of Market Position."**

Since September 2000, BellSouth has been operating pursuant to the price floor the Commission adopted in its Guidelines Order.<sup>1</sup> Since July 2002, the rate increases set forth in the BellSouth tariff that led to the commencement of this proceeding have been in effect. And competition has flourished. As is set out in detail in Mr. Ruscilli's testimony and in the attachments thereto, more CLECs in South Carolina are offering more services in South Carolina to more residential and business customers in South Carolina than ever before. Clearly, this price floor is more than sufficient to protect competition.

### **A. Establishment of a "Safe Harbor" of a TSLRIC Price Floor**

BellSouth, therefore, believes that the Commission should adopt as a "safe harbor" a price floor of total service long run incremental costs. In other words, the Commission should determine that price adjustments for "Other Services" are not an abuse of market position if the resulting prices are at or above total service long run incremental costs. As BellSouth witness Dr. Taylor explains in his testimony, this price floor protects against cross subsidies, and it goes even further than is necessary in protecting against predatory pricing.

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<sup>1</sup> See Order Ruling on Guidelines, *In Re: Proceeding to Review BellSouth Telecommunications, Inc.'s Guidelines for Alternate Form of Regulation*, Order No. 2000-676 in Docket No. 1999-469-C (September 26, 2000) ("Guidelines Order").

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This safe harbor provides an economically-sound bright-line test for determining that pricing conduct clearly is not an abuse of market position. Without this safe harbor, the Commission could be inundated with complaints any time a LEC operating under the alternative regulation statute adjusts its prices for "Other Services."

**B. Case-by-Case Determination of Prices That Are Not In the Safe Harbor**

As explained in that attached testimony, prices that fall below total service long run incremental costs may or may not be an abuse of market position, depending on the circumstances. The Commission, therefore, should address adjustments that result in rates for "Other Services" that are below total service long run incremental costs in the manner suggested by Staff witness Dr. Spearman – on a case-by-case basis. In doing so, the Commission should apply traditional, tried-and-true antitrust principles to determine whether any such adjustment is, in fact, an abuse of market position.

Finally, for all of the reasons explained in the attached testimony, a price cap for "Other Services" is neither necessary nor appropriate. Raising prices is not anticompetitive conduct, so it is not proper to call it an "abuse" of a market position. In any event, BellSouth has volunteered to comply with the price cap the Commission adopted in its Guidelines Order, and BellSouth is continuing to volunteer to comply with that cap.

**III. Proposed Inflation-Based Index**

BellSouth proposes that the Commission adopt the gross domestic product ("GDP") price index (in either fixed-base or chain-type form) as the "inflation-based index" for the purposes of S.C. Code Annotated Section 58-9-576(B)(4). As explained in the attached testimony of Dr. Taylor, the chain-type GDP price index is preferable as a theoretical matter although, as a practical matter, it is not too different from the fixed-base GDP price index. The chain-type GDP price index is also equivalent to the GDP price deflator that is recommended by Dr. Spearman.

By copy of this letter, I am serving the attached testimony on all parties of record as reflected by the attached Certificate of Service.

Sincerely,



Patrick W. Turner

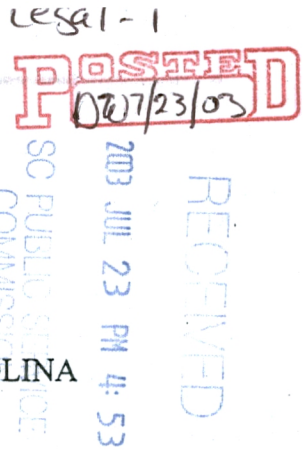
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Enclosure

cc: All Parties of Record

PC Docs #498522





BELLSOUTH TELECOMMUNICATIONS, INC.

TESTIMONY OF JOHN A. RUSCILLI

BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

DOCKET NOS. 2002-367-C & 2002-408-C

JULY 23, 2003

Q. PLEASE STATE YOUR NAME, YOUR POSITION WITH BELLSOUTH TELECOMMUNICATIONS, INC. ("BELLSOUTH") AND YOUR BUSINESS ADDRESS.

A. My name is John A. Ruscilli. I am employed by BellSouth as Senior Director – Policy Implementation and Regulatory Compliance for the nine-state BellSouth region. My business address is 675 West Peachtree Street, Atlanta, Georgia 30375.

Q. PLEASE PROVIDE A BRIEF DESCRIPTION OF YOUR BACKGROUND AND EXPERIENCE.

A. I attended the University of Alabama in Birmingham where I earned a Bachelor of Science Degree in 1979 and a Master of Business Administration in 1982. After graduation I began employment with South Central Bell as an Account Executive in Marketing, transferring to AT&T in 1983. I joined BellSouth in late 1984 as an analyst in Market Research, and in late 1985 moved into the Pricing and Economics organization with various responsibilities for business case analysis, tariffing, demand analysis and price regulation. In July 1997, I became

DATE: 08/01/03  
BY: OK AW

Director of Regulatory and Legislative Affairs for BellSouth Long Distance, Inc., with responsibilities that included obtaining the necessary certificates of public convenience and necessity, testifying, Federal Communications Commission ("FCC") and state regulatory support, federal and state compliance reporting and tariffing for all 50 states and the FCC. I assumed my current position in July 2000.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to:

- I. Explain how this proceeding was commenced;
- II. Summarize prior Commission Orders addressing section 58-9-576 of the South Carolina Code;
- III. Address BellSouth's proposed definition of "abuse of market position" from a policy perspective;
- IV. Address certain portions of the July 9, 2003 testimony of Staff Witness Dr. James Spearman from a policy perspective;
- V. Explain the policy reasons that support the ability of all carriers – including incumbent local exchange carriers – to offer "bundles" of products and services at a single price; and
- VI. Set forth the criteria that BellSouth proposes for determining whether certain actions are an abuse of market position.

In the course of my testimony, I also will describe some of the many offerings that competitive local exchange carriers ("CLECs") are advertising to residential and business customers in the State of South Carolina.



1                    I.      HOW THIS PROCEEDING WAS COMMENCED

2  
3      Q.      PLEASE BRIEFLY DESCRIBE HOW THIS PROCEEDING WAS  
4                    COMMENCED.

5  
6      A.      On June 6, 2002, BellSouth filed tariff revisions increasing the prices of certain  
7                    optional business and residential services pursuant to Section 58-9-576 of the  
8                    South Carolina Code. Subsequently, the Consumer Advocate for the State of  
9                    South Carolina filed a complaint alleging that BellSouth's price increases are an  
10                  abuse of market position. BellSouth filed a Motion to Dismiss the Consumer  
11                  Advocate's Complaint on August 23, 2002, and the Consumer Advocate filed a  
12                  Response on September 13, 2002.

13  
14                  On September 19, 2002, the Commission entered an "Order Holding Complaint in  
15                  Abeyance and Establishing Generic Proceeding," in which the Commission ruled  
16                  that

17                        before we can continue to process complaints such as the  
18                        Consumer Advocate's, we are going to have to establish a  
19                        definition for "abuse of market position" and criteria for  
20                        determining whether various behaviors by a Company constitute  
21                        "abuse of market position."

22  
23                        Accordingly, we hereby establish a generic proceeding under  
24                        Docket No. 1999-469-C, BellSouth's Alternative Regulation  
25                        Docket, in order to make this determination.

26  
27                  See Order No. 2002-679 in Docket No. 2002-234-C at 4. The Commission also  
28                  "decline[d] to stay institution of the prices in BellSouth's filing in this matter." *Id.*  
29                  at 5.

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In a separate docket, the Commission entered an Order finding that "a generic definition of 'inflation-based index' for purposes of local rate increases under S.C. Code Ann. Section 58-9-576 (Supp. 2002) needs to be established to avoid piecemeal development of the definition of the concept." *See* Order No. 2003-82 in Docket No. 2002-408-C at 2.

Finally, the Commission entered an Order consolidating the abuse of market position issue with the inflation-based index issue and holding that "both issues shall be addressed in one hearing." *See* Order No. 2003-124 in Docket No. 2002-367-C.

Q. WHY IS THE DEFINITION OF THE TERM "ABUSE OF MARKET POSITION" AT ISSUE IN THIS PROCEEDING?

A. The definition of the term "abuse of market position" is at issue because this term appears in Section 58-9-576 of the South Carolina Code, which is the section that allows certain telephone companies like BellSouth to elect to have the rates, terms and conditions of their regulated services determined pursuant to the alternative regulation plan described in that statute. Subsections (B)(3) and (B)(4) of that statute provides that rates for "flat-rated local exchange services for residential and single-line business customers" are capped for a designated period, after



1 which they may be adjusted on an annual basis pursuant to an inflation-based  
2 index. Subsection (B)(5) of the statute provides that

3 The LEC's (sic) shall set rates for all other services on a basis that  
4 does not unreasonably discriminate between similarly situated  
5 customers; provided, however, that all such rates are subject to a  
6 complaint process for abuse of market position in accordance with  
7 guidelines to be adopted by the commission.  
8

9 The statute does not define the term "abuse of market position."  
10  
11

12 **II. PRIOR COMMISSION ORDERS**  
13 **ADDRESSING SECTION 58-9-576**  
14  
15

16 Q. HAS THIS COMMISSION ALREADY ENTERED ORDERS ADDRESSING  
17 SECTION 58-9-576?  
18

19 A. Yes, it has. In September 2000, the Commission entered an Order addressing  
20 BellSouth's proposal for the establishment of guidelines pursuant to Section 58-9-  
21 576(B)(5).<sup>1</sup> The Commission made at least three decisions in that Order that  
22 address Section 58-9-576: one of those decisions relates to the cap period set  
23 forth in section 58-9-576(B)(3); and two of those decisions relate to prices  
24 allowed under section 58-9-576(B)(5).  
25

26 Q. WHAT DECISION DID THE COMMISSION MAKE REGARDING THE CAP  
27 PERIOD SET FORTH IN SECTION 58-9-576(B)(3)?  
28

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<sup>1</sup> See Order Ruling on Guidelines, *In Re: Proceeding to Review BellSouth Telecommunications, Inc.'s Guidelines for Alternate Form of Regulation*, Order No. 2000-676 in Docket No. 1999-469-C (September 26, 2000) ("Guidelines Order").

A. In its Guidelines Order, the Commission recognized that it previously had entered an Order (No. 1999-411) adopting an Agreement between BellSouth and the Consumer Advocate that addressed rates BellSouth may charge for certain services. *See* Guidelines Order at p. 9, ¶3. The Commission decided that for the term of the Agreement, this prior Order "includes additional services to be capped and extends the length of the cap period." *Id.* The Commission also decided that "once the terms of the agreement are fulfilled, the terms of the statute govern the pricing of BellSouth's services." *Id.*

Q. WHAT IS THE FIRST OF THE TWO DECISIONS THE COMMISSION MADE IN THE GUIDELINES ORDER REGARDING THE PRICING ALLOWED UNDER SECTION 58-9-576(B)(5)?

A. The Commission decided that prices for "Other Services" that are subject to Section 58-9-576(B)(5) "should be set at rates that equal or exceed BellSouth's long run incremental cost of providing such services." *See* Guidelines Order at p. 10, ¶6. The Commission explained that "[a]ny prices which deviate from long run incremental costs could indicate an abuse of market power." *Id.* (emphasis added). As both Staff witness Dr. Spearman and BellSouth Witness Dr. William Taylor agree, the use of the term "market power" should be read interchangeably with the term "market position" in this context.



1 Q. DOES THIS MEAN THAT ANY PRICE THAT IS BELOW LONG RUN  
2 INCREMENTAL COST IS, IN FACT, AN ABUSE OF MARKET POSITION?

3  
4 A. No. As the Commission stated in its Generic Order, prices that are below long  
5 run incremental costs "could" indicate an abuse of market position, but they do  
6 not necessarily indicate an abuse of market position. It all depends on the  
7 circumstances. To give but one example, if another carrier's prices are below that  
8 level, for instance, it would not be an abuse of market position for BellSouth to  
9 meet that carrier's prices. In fact, Section 58-9-280(I) of the South Carolina Code  
10 states that "[t]he incumbent LEC's (sic) subject to this section shall be authorized  
11 to meet the offerings of any local exchange carrier serving the same area by  
12 packaging services together, using volume discounts and term discounts, and by  
13 offering individual contracts for services, except as restricted by federal law."  
14 (Emphasis added).

15  
16 Q. WHAT IS THE SECOND OF THE TWO DECISIONS THE COMMISSION  
17 MADE IN THE GUIDELINES ORDER REGARDING THE PRICING  
18 ALLOWED UNDER SECTION 58-9-576(B)(5)?

19  
20 A. Section 576(B)(5) does not impose any "cap" on the prices of any "Other  
21 Services." BellSouth, however, volunteered to operate under a self-imposed cap  
22 with regard to "Other Services," and the Commission ruled that "BellSouth's  
23 voluntary cap on services other than Basic Services is adopted." See Guidelines  
24 Order at p. 10, ¶7. Specifically, price increases for Other Services "shall not

1 exceed five percent of aggregate revenues for Other Services during any given  
 2 twelve-month period." *Id.*, ¶6. "Aggregate revenues" are "total annual revenues  
 3 for services covered under section 58-9-576 with the exception of flat-rated  
 4 residential and single-line business services." *Id.*

5  
 6 Q. HAS THE COMMISSION ENTERED ANY OTHER ORDER THAT  
 7 ADDRESSES SECTION 58-9-576?

8  
 9 A. Yes, in Docket No. 2000-378-C, several CLECs argued that certain BellSouth  
 10 promotional offerings unreasonably discriminated against similarly situated  
 11 customers and that the promotions were an abuse of market position. After an  
 12 evidentiary hearing, the Commission found that the Complaint "must be denied  
 13 and dismissed" because BellSouth's offerings were "neither anticompetitive, nor  
 14 discriminatory, nor is there an abuse of market position by BellSouth . . . ." *See*  
 15 *Order Ruling on Complaint, In Re: Southeastern Competitive Carriers Ass'n,*  
 16 *NewSouth Communications Corp., and TriVergent Communications v. BellSouth*  
 17 *Telecom. Inc.*, Order No. 2001-1036 in Docket No. 2000-378-C at p. 14, ¶10  
 18 (October 29, 2001).

19  
 20 **III. BELL SOUTH'S PROPOSED DEFINITION OF**  
 21 **"ABUSE OF MARKET POSITION"**  
 22  
 23  
 24

25 Q. HOW DOES BELL SOUTH PROPOSE THAT THE COMMISSION DEFINE  
 26 THE TERM "ABUSE OF MARKET POSITION" IN THIS DOCKET?



1 A. For all of the reasons set forth in the testimony of BellSouth witness Dr. Taylor,  
2 BellSouth believes that basically, the Commission should define "abuse of market  
3 position," as that term is used in Section 58-9-576(B)(5), as "any anticompetitive  
4 pricing conduct that harms the competitive process." This definition would need  
5 to be applied to a well-defined product and geographic market.

6  
7 Q. HOW DOES THIS DEFINITION DIFFER FROM THE DEFINITION  
8 OFFERED BY STAFF WITNESS DR. JAMES SPEARMAN?

9  
10 A. I will have to defer more specific questions regarding the differences between  
11 BellSouth's proposed definition and Dr. Spearman's proposed definition to  
12 BellSouth witness Dr. Taylor. I can say, however, that one important difference  
13 is that Dr. Spearman uses the phrase "any action," while BellSouth proposed the  
14 phrase "any anticompetitive pricing conduct."

15  
16 Q. WHY SHOULD THE WORD "ANTICOMPETITIVE" BE ADDED TO THE  
17 DEFINITION DR. SPEARMAN PROPOSED?

18  
19 A. Because not all action that effectively prohibits a new firm from entering the  
20 market should be prohibited. Assume, for example, that a firm that wants to enter  
21 the market is relatively inefficient and that, as a result of that inefficiency, it  
22 simply cannot compete with the prices being offered by the other competitors in  
23 the market. The competitive, appropriate, and lower prices offered by the other

competitors may effectively prohibit the new firm from entering the market, but there is nothing anticompetitive or improper about that. To the contrary, that is exactly how competition is supposed to work.

Q. WHY SHOULD THE WORD "PRICING" BE ADDED TO THE DEFINITION DR. SPEARMAN PROPOSED?

A. Because the purpose of this docket is not to define the term "abuse of market position" in the abstract as a general economic principle. Instead, the purpose of this docket is to define the term "abuse of market position" in the specific context in which the General Assembly used that term in Section 58-9-576(B)(5). This section reads:

The LEC's (sic) shall set rates for all other services [that is, for services other than flat-rated local exchange services for residential and single-line business customers] on a basis that does not unreasonably discriminate between similarly situated customers; provided, however, that all such rates are subject to a complaint process for abuse of market position in accordance with guidelines to be adopted by the commission. (Emphasis added)

While I am not an attorney, I do have years of regulatory policy experience, and based on that experience, it appears to me that by stating that "rates" are subject to a complaint process for "abuse of market position," the statute makes it clear that the Commission may only consider whether pricing behavior constitutes an abuse of market position. The Commission, therefore, should not consider any of the non-pricing behavior that Dr. Spearman discusses at pages 5-8 of his July 9, 2003 testimony in adopting a definition of abuse of market position. Instead, the

1 Commission should consider only pricing behavior (and more specifically, for the  
2 reasons explained by BellSouth witness Dr. Taylor, only anticompetitive pricing  
3 behavior) in adopting a definition of "abuse of market position" in this docket.

4  
5 Q. ARE SAFEGUARDS ALREADY IN PLACE TODAY TO PROTECT  
6 AGAINST ANTICOMPETITIVE PRICING CONDUCT BY BELL SOUTH?

7  
8 A. Yes. As I explained above, BellSouth's rates for "Other Services" already are  
9 subject to both a price floor and a price ceiling that protect against anticompetitive  
10 pricing conduct.

11  
12 The price floor is the requirement that prices for the "Other Services" that are  
13 subject to Section 58-9-576(B)(5) "should be set at rates that equal or exceed  
14 BellSouth's long run incremental cost of providing such services." See  
15 Guidelines Order at p. 10, ¶6. This floor applies unless BellSouth meets the  
16 offerings of a competitor pursuant to 58-9-280(I) of the South Carolina Code of  
17 Laws.

18  
19 Additionally, and while not necessary to protect against anticompetitive behavior,  
20 BellSouth's rates for "Other Services" also are subject to the voluntary cap on  
21 "Other Services" that the Commission adopted in its Guidelines Order – price  
22 increases for those services will not exceed "five percent of aggregate revenues  
23 for Other Services during any given twelve-month period." *Id.*, ¶6.

1 Q. IS BELLSOUTH'S VOLUNTARY PRICE CAP ON RATES FOR "OTHER  
2 SERVICES" THE ONLY THING THAT AFFECTS BELLSOUTH'S ABILITY  
3 TO RAISE PRICES FOR OTHER SERVICES IN SOUTH CAROLINA?

4  
5 A. Absolutely not. As state statutes envision, competition affects BellSouth's ability  
6 to raise rates for "Other Services" in South Carolina.

7  
8 Q. WHY DO YOU SAY THAT STATE STATUTES ENVISION COMPETITION  
9 AFFECTING BELLSOUTH'S ABILITY TO RAISE RATES FOR "OTHER  
10 SERVICES" IN SOUTH CAROLINA?

11  
12 A. As BellSouth witness Dr. Taylor explains, the best way to benefit consumers is to  
13 create an environment in which competition can flourish in South Carolina. This  
14 is exactly what South Carolina statutes do.

15  
16 Statutory provisions passed in 1996 take steps necessary to create an environment  
17 in which competition can flourish. These provisions are codified as subsections  
18 (B) through (O) of Section 58-9-280. Among other things, these provisions  
19 require the Commission to determine requirements, "consistent with applicable  
20 federal law," that provide for: interconnection of facilities between local  
21 telephone service providers; local number portability; and reasonable unbundling  
22 of network elements under specified conditions. *See* S.C. Code Ann. §58-9-  
23 280(C). The Commission has implemented the provisions of both this legislation



1 and the federal Telecommunications Act of 1996, and; as a result, both this  
2 Commission and the FCC have found that the local exchange market in South  
3 Carolina is open to competition. As explained below, this has led to an  
4 environment in which many local service providers are offering a wide array of  
5 services to both business and residential customers in South Carolina, and  
6 consumers are receiving the benefits of this vibrant competition.

7  
8 In addition to creating an environment where competition can flourish in the local  
9 exchange market, state statutes also protect competition. For companies operating  
10 under alternative regulation, Section 58-9-576(B)(5) makes prices for "Other  
11 Services" subject to a complaint process for abuse of market position. For all the  
12 reasons explained by BellSouth witness Dr. Taylor, and consistent with my  
13 understanding of Staff witness Dr. Spearman's testimony, the purpose of this  
14 provision is to protect competition which, in turn, protects consumers.

15  
16 Q. BUT DO CUSTOMERS IN SOUTH CAROLINA REALLY HAVE CHOICES  
17 WHEN IT COMES TO "OTHER SERVICES?"

18  
19 A. Absolutely. For example, if one considers BellSouth's optional residential  
20 services that were challenged in the Consumer Advocate's Complaint that led to  
21 the initiation of this proceeding, it is clear that CLECs offer the same or similar  
22 services to consumers at a wide range of prices.

1 BellSouth's new tariffed monthly rate for residential call waiting, for example, is  
2 \$4.50. According to tariffs on file with the Commission, VarTec offers  
3 residential call waiting for \$2.95 per month; NuVox offers residential call waiting  
4 for \$4.18 per month; and E-Z Tel offers residential call waiting for \$5.00 per  
5 month.

6  
7 BellSouth's new tariffed monthly rate for residential Call Waiting Deluxe is  
8 \$6.50. According to tariffs on file with the Commission, VarTec offers  
9 residential call waiting deluxe for \$3.95 per month; NuVox offers residential call  
10 waiting deluxe for \$5.70 per month; and Knology offers "call waiting display –  
11 residential" for \$5.70 per month.

12  
13 BellSouth's new tariffed monthly rate for residential call forwarding is \$4.00.  
14 According to tariffs on file with the Commission, VarTec offers residential call  
15 forwarding for \$2.95 per month; NuVox offers residential call forwarding for  
16 \$3.80 per month; E-Z Tel offers residential call forwarding for \$5.00 per month;  
17 and Knology offers "call forwarding – residential" for \$3.80 per month.

18  
19 BellSouth's new tariffed monthly rate for residential three way calling is \$5.00.  
20 According to tariffs on file with the Commission, VarTec offers residential three  
21 way calling for \$2.95 per month; NuVox offers residential three way calling for  
22 \$3.80 per month; E-Z Tel offers residential three way calling for \$5.00 per month;  
23 and Knology offers "three-way calling – residential" for \$3.30 per month.

1 BellSouth's new tariffed monthly rate for residential call return is \$5.00.  
2 According to tariffs on file with the Commission, VarTec offers residential call  
3 return for \$2.95 per month; NuVox offers residential call return for \$3.80 per  
4 month; E-Z Tel offers residential call return for \$5.00 per month; and Knology  
5 offers "automatic recall – residential" for \$3.80 per month.

6  
7 BellSouth's new tariffed monthly rate for residential Caller ID Basic is \$7.00.  
8 According to tariffs on file with the Commission, VarTec offers residential Caller  
9 ID Basic for \$4.95 per month; NuVox offers residential Caller ID Basic for \$6.65  
10 per month; and E-Z Tel offers residential caller ID for \$10.00 per month.

11  
12 BellSouth's new tariffed monthly rate for residential Caller ID Deluxe is \$7.95.  
13 According to tariffs on file with the Commission, VarTec offers residential Caller  
14 ID Deluxe for \$6.95 per month; and NuVox offers residential Caller ID Deluxe  
15 for \$7.13 per month.

16  
17 The relevant portions of the tariffs referenced above are attached as Exhibit JAR-  
18 1 to my testimony. I obviously have not attempted to address each and every  
19 competitor that offers these services to residential customers in South Carolina,  
20 but this information alone shows that consumers have choices when it comes to  
21 local exchange services in this state in general, and when it comes to the optional  
22 local exchange services that are the subject of the tariff that led to the initiation of

1           this proceeding in particular. I discuss even more of the choices that are available  
2           in the form of bundled service offerings later in my testimony.

3  
4   Q.   DO PRICE INCREASES LIKE THE ONES IN BELL SOUTH'S TARIFF HARM  
5       COMPETITION?

6  
7   A.   No. When BellSouth raises prices for its services, it actually makes it easier for  
8       competitors to enter the market in South Carolina and offer more choices to  
9       consumers. This creates the opportunity for more competition, and more  
10      competition benefits consumers.

11  
12   Q.   WHY DO YOU SAY THAT PRICE INCREASES BY BELL SOUTH MAKE IT  
13       EASIER FOR COMPETITORS TO ENTER THE MARKET OR EXPAND  
14       THEIR EXISTING MARKET IN SOUTH CAROLINA?

15  
16   A.   When BellSouth increases its prices, competitors have a greater incentive to offer  
17       competing services, or to market those services aggressively, because the  
18       competitors should have greater success competing against BellSouth when  
19       BellSouth charges more.

20  
21           IV. COMMENTS TO DR. SPEARMAN'S TESTIMONY  
22



1 Q. ON PAGE 8, LINES 6 THROUGH 7 OF HIS JULY 9, 2003 TESTIMONY,  
2 STAFF WITNESS DR. SPEARMAN STATES THAT "PRICES FOR  
3 TELECOMMUNICATIONS SERVICES ARE BASED ON LONG-RUN  
4 INCREMENTAL OR MARGINAL COSTS (MC) WHICH ARE APPROVED  
5 BY THIS COMMISSION" PLEASE COMMENT ON THAT STATEMENT.

6  
7 A. This statement could be read to suggest that the rates for BellSouth's retail  
8 services bear (or have borne) some particular relationship to the costs of  
9 BellSouth's services. This, however, is simply not the case.

10  
11 As was demonstrated in the Universal Service docket (Docket No. 97-239-C),  
12 BellSouth's prices for single-line residential services, for instance, are and have  
13 been below BellSouth's costs of providing the service. Beyond that, prices for  
14 such services in general bear (and have borne) an inverse relationship to the costs  
15 of those services. The prices for single-line residential services, for example, are  
16 lowest in the more rural areas of the state despite the fact that the costs of  
17 providing those services are highest in those areas of the state. That means, of  
18 course, that other services must be priced well above their costs.

19  
20 Q. DR. SPEARMAN ALSO STATES (ON PAGE 8, LINES 9-11 OF HIS JULY 9,  
21 2003 TESTIMONY) THAT "TO THE EXTENT THAT RETAIL PRICES  
22 EXCEED THE COMMISSION APPROVED LONG-RUN INCREMENTAL

1 COSTS, AN ABUSE OF MARKET POSITION COULD BE INDICATED."  
2 COULD YOU COMMENT ON THIS STATEMENT?

3  
4 A. For all of the reasons explained by BellSouth witness Dr. Taylor, this statement  
5 does not apply to the telecommunications market in general or to the local  
6 exchange market in particular. Additionally, as discussed above, and as Dr.  
7 Spearman indicates (on page 3, lines 15-16 of his July 9, 2003 testimony), an  
8 abuse of market position involves conduct "that effectively prohibits a new firm  
9 from entering a market." While BellSouth believes that Dr. Spearman's  
10 definition should be refined to mean "anticompetitive pricing conduct" that  
11 effectively prohibits new entry, the point is that prices above long run incremental  
12 cost do not prohibit an efficient firm from entering the market. If any carrier is  
13 kept out of a market because it cannot match a price above long run incremental  
14 cost, one must assume that that competitor is less efficient, and it should not be  
15 the role of the Commission to try to prop up such a competitor at the expense of  
16 consumers.

17  
18 Further, I will refer back to my earlier discussion of the prices that various CLECs  
19 charge for residential call waiting, call waiting deluxe, call forwarding, three way  
20 calling, call return, and caller ID. The prices that CLECs are charging for these  
21 services likely exceed the long-run incremental costs of those services, but that  
22 clearly does not indicate an abuse of market position.

1 Q. DOES DR. SPEARMAN'S STATEMENT THAT "TO THE EXTENT THAT  
2 RETAIL PRICES EXCEED THE COMMISSION APPROVED LONG-RUN  
3 INCREMENTAL COSTS, AN ABUSE OF MARKET POSITION COULD BE  
4 INDICATED" HAVE ANY UNIVERSAL SERVICE IMPLICATIONS?

5  
6 A. Yes, it does. The fact that some services (such as single-line residential services)  
7 are priced well below their costs means that other services must be priced well  
8 above their costs. Increasing restrictions on the ability of a company operating  
9 under alternative regulation to price "other services" above their costs will, in all  
10 likelihood, increase the burden on the state universal service fund. It also will  
11 make it more and more difficult for carries like BellSouth to fulfill their carrier of  
12 last resort obligations.

13  
14 Q. ON PAGES 5 THROUGH 7 OF HIS JULY 9 DIRECT TESTIMONY, DR.  
15 SPEARMAN DISCUSSES VARIOUS TYPES OF NON-PRICING BEHAVIOR  
16 THAT, IN HIS VIEW, COULD RESULT IN AN ABUSE OF MARKET  
17 POSITION. SHOULD THE COMMISSION CONSIDER ANY NON-PRICING  
18 BEHAVIOR IN DEFINING THE TERM "ABUSE OF MARKET POSITION"  
19 IN THIS DOCKET?

20  
21 A. No, it should not. As I explained earlier, by stating that "rates" are subject to a  
22 complaint process for "abuse of market position," Section 58-9-576(B)(5) makes

1       it clear that the Commission may only consider whether pricing behavior  
2       constitutes an abuse of market position.

3  
4   Q.   AT PAGE 8, LINES 1-2 OF HIS JULY 9 DIRECT TESTIMONY, DR.  
5       SPEARMAN STATES THAT "PRICE DISCRIMINATION" IS ONE OF THE  
6       MATTERS THAT WILL BE OF MOST CONCERN TO THE COMMISSION."  
7       SHOULD THE COMMISSION ADDRESS PRICE DISCRIMINATION IN  
8       THIS DOCKET?

9  
10   A.   No, it should not.

11  
12   Q.   WHY NOT?

13  
14   A.   As I mentioned above, section 58-9-576(B)(5) provides that a LEC's rates for  
15       "other services" must satisfy two conditions: (1) they must not unreasonably  
16       discriminate between similarly situated customers; and (2) they "are subject to a  
17       complaint process for abuse of market position . . . ." The purpose of this docket  
18       is only to define the second condition (rates that constitute an abuse of market  
19       position) – not the separate and distinct first condition (unreasonable  
20       discrimination between similarly situated customers). The Commission,  
21       therefore, should continue to consider allegations of unreasonable discrimination  
22       on a case-by-case basis, as it did in resolving the Complaint that certain CLECs  
23       filed against BellSouth regarding certain promotions. See Order Ruling on

1 Complaint, *In Re: Southeastern Competitive Carriers Ass'n, NewSouth*  
2 *Communications Corp., and TriVergent Communications v. BellSouth Telecom.*  
3 *Inc.*, Order No. 2001-1036 in Docket No. 2000-378-C (October 29, 2001).  
4

5 **V. THE FCC HAS FOUND THAT BUNDLING**  
6 **IS CONSUMER-FRIENDLY AND PRO-COMPETITIVE**  
7  
8

9 Q. AT PAGE 8, LINES 1-2 OF HIS JULY 9, 2003 DIRECT TESTIMONY, DR.  
10 SPEARMAN STATES THAT "PRODUCT BUNDLING" IS AMONG THE  
11 MATTERS THAT WILL BE OF MOST CONCERN TO THE COMMISSION."  
12 PLEASE COMMENT ON THIS STATEMENT.  
13

14 A. While I agree that more and more competitors in the local exchange market are  
15 selling bundled offerings, I do not believe that this should be a matter of concern  
16 to the Commission. As I explain below, the FCC has found that bundling is  
17 consumer-friendly and pro-competitive. The FCC also has found that existing  
18 safeguards are sufficient with regard to bundling. Finally, many local exchange  
19 service providers already are offering both residential and business customers in  
20 South Carolina a wide array of bundled offerings.  
21

22 Q. HAS THE FCC RECENTLY ADDRESSED THE ISSUE OF BUNDLING?  
23



1 A. Yes. On March 30, 2001, the FCC released what is often referred to as its  
 2 “Bundling Order.”<sup>2</sup> In the Bundling Order, the FCC clarified that “all facilities-  
 3 based carriers may offer bundled packages of enhanced services and basic  
 4 telecommunications at a single price, subject to existing safeguards.” See  
 5 Bundling Order at ¶1 (emphasis added). The FCC explained that its decision

6 will benefit consumers by enabling them to take advantage of  
 7 innovative and attractive packages of services and equipment;  
 8 foster increased competition in the markets for CPE, enhanced, and  
 9 telecommunications services; and allow us to repeal regulatory  
 10 requirements that no longer make sense in light of current  
 11 technological, market, and legal conditions. Moreover, the actions  
 12 we take in this order further Congress’ directive in the  
 13 Telecommunications Act of 1996 Act (1996 Act) that we repeal or  
 14 modify any regulation we determine to be no longer in the public  
 15 interest.

16  
 17 *Id.* (emphasis added).

18  
 19 Q. HOW DOES THE FCC DEFINE “BUNDLING?”

20  
 21 A. The FCC defines “bundling” as “the offering of two or more products or services  
 22 at a single price, typically less than the sum of the separate prices.” See Bundling  
 23 Order at ¶15.

24  
 25 Q. IS “BUNDLING” THE SAME AS “ONE-STOP SHOPPING?”

26  
<sup>2</sup> Report and Order, *In the Matter of 1998 Biennial Regulatory Review – Review of Customer Premises Equipment and Enhances Service Unbundling Rules In the Interexchange, Exchange Access, and Local Exchange Markets*, 16 FCC Rcd. 7418, (Rel. March 30, 2001).

1 A. No. The FCC explained that its definition of bundling “is different from ‘one-  
 2 stop’ shopping arrangements in which consumers may purchase the components  
 3 of a bundle, priced separately, from a single supplier.” *Id.* at ¶15. The FCC  
 4 concluded that “[w]hile ‘one-stop’ shopping is convenient for consumers, . . .  
 5 they can benefit even more from bundled packages offered at a price discount.”  
 6 *Id.* (emphasis added).

7  
 8 Q. DID THE FCC EXPLAIN HOW CONSUMERS BENEFIT MORE FROM  
 9 BUNDLING THAN THEY DO FROM “ONE-STOP SHOPPING?”

10  
 11 A. Yes, it did. The FCC explained that “consumers benefit from bundling because it  
 12 eliminates the need for carriers to separately provision, market, and bill services,  
 13 and therefore reduces the transaction costs that carriers pass on to consumers.”  
 14 *Id.* at ¶15. It also explained that bundling “can further reduce costs for  
 15 consumers by eliminating the time and effort needed to find products and services  
 16 in the market, negotiate appropriate purchase terms, and assemble the desired  
 17 combinations.” *Id.* at ¶15.

18  
 19 Q. DID THE FCC CONSIDER WHETHER CONSUMERS WANT THE OPTION  
 20 OF PURCHASING BUNDLES OF SERVICES?

21  
 22 A. Yes. The FCC stated that “[t]he record shows that consumers want the option to  
 23 purchase bundled packages of products and services, and that carriers facing

1 competition in various service markets seek the ability to respond to this  
2 demand.” *Id.* at ¶16 (emphasis added).

3  
4 Q. DID THE FCC CONSIDER WHETHER BUNDLING IS OR IS NOT IN THE  
5 PUBLIC INTEREST?

6  
7 A. Yes, it did, and it found that bundling clearly is in the public interest. The  
8 following are among the many reasons the FCC set forth in support of this  
9 conclusion:

10  
11 offering consumers the choice of purchasing packages of products and  
12 services at a single low-rate will encourage them to subscribe to new,  
13 advanced, or specialized services by reducing the costs that they have to  
14 pay up-front to purchase equipment, or by giving them a choice of relying  
15 on one provider instead of having to assemble the desired combinations on  
16 their own (*Id.*, ¶10)(emphasis added);

17  
18 Price bundling also eliminates the transaction costs that carriers have to  
19 absorb in order to comply with the bundling rules, thereby enabling them  
20 to offer better prices whenever possible (*Id.*, ¶10) (emphasis added);

21  
22 Eliminating and clarifying our bundling restrictions will allow the  
23 suppliers of [CPE, enhanced services, interexchange service, and local  
24 exchange services] to compete more freely, making consumers the  
25 beneficiaries of deregulation, as we believe Congress intended when it  
26 passed the 1996 Act (*Id.*, ¶10) (emphasis added);

27  
28 all carriers, both incumbent and nondominant carriers, in all markets,  
29 demonstrate a desire to compete for customers through bundled service  
30 offerings (*Id.*, ¶11) (emphasis added);

31  
32 the influx of new subscribers due to the bundling of advanced  
33 telecommunications services with enhanced services and CPE may cause  
34 the fixed costs of providing service to be spread over a larger population  
35 of users, achieving economies of scale and lowering the cost of providing  
36 service to each subscriber. (*Id.*, ¶17) (emphasis added).  
37

1 Q. ARE THERE OTHER BENEFITS TO BUNDLING?

2 A. Yes. When a carrier offers two (or more) services together at a discounted  
3 bundled price, it may provide consumers the chance to purchase services that they  
4 would not have chosen to purchase at stand-alone prices. For example, if a carrier  
5 charges \$3 for service A and \$3 for service B on a stand-alone basis, and is  
6 willing to sell these services for \$5 as a bundle, some consumers that would not  
7 have purchased both of the services (or even one or the other) at full price may  
8 find it worthwhile to purchase them at the bundled price.

9  
10 Q. DID THE FCC CONSIDER THE STATE OF THE TELECOMMUNICATIONS  
11 MARKETPLACE IN REACHING ITS CONCLUSIONS?

12  
13 A. Yes. The FCC found that “consumers can benefit significantly by relying on the  
14 competitive markets that exist for the components contained in a bundle,” and it  
15 clarified that all carriers, including incumbent local exchange carriers like  
16 BellSouth, “may offer consumers bundles of enhanced and basic  
17 telecommunications services, subject to existing safeguards, thereby encouraging  
18 further options for consumers.” *Id.* at ¶9 (emphasis added).

19  
20 Q. DID THE FCC ADDRESS THE IMPACT THAT ALLOWING BUNDLING  
21 WOULD HAVE ON COMPETITION?

22  
23 A. Yes. The FCC concluded that “allowing all carriers to bundle products and

services is generally procompetitive and beneficial to consumers,” and that bundling “encourages competition by giving carriers flexibility both to differentiate themselves from their competitors and to target segments of the consumer market with product offerings designed to meet the needs of individual customers.” *Id.* at ¶14 (emphasis added). The FCC also expressly stated its belief that “eliminating and clarifying our bundling restrictions will encourage the competitive deployment of telecommunications services, enhanced services, and CPE.” *Id.* at ¶16 (emphasis added). Further, the FCC was

particularly persuaded that bundling can promote the deployment of advanced telecommunications services. For example, as several commenters explain, many advanced telecommunications services require specialized CPE that customers would otherwise need to buy separately because they represent new technologies that traditional CPE does not support. By providing the necessary equipment as part of a discounted package, possibly including leasing or amortizing the purchase of the equipment, a carrier can eliminate some of the up-front investment cost that inhibits customers from subscribing to the service.

*Id.* at ¶34.

Q. DID THE FCC ADDRESS CONCERNS THAT INCUMBENT LOCAL EXCHANGE CARRIERS MIGHT ATTEMPT TO USE BUNDLING TO HARM COMPETITION IN THE LOCAL EXCHANGE MARKET?

A. Yes. The FCC concluded, “in light of the existing circumstances in these markets, that the risk of anticompetitive behavior by the incumbent LECs in bundling CPE and local exchange service is low and is outweighed by the consumer benefits of allowing such bundling.” *Id.* at ¶33 (emphasis added).



1 Q. DID THE FCC EXPLAIN WHY IT VIEWS THE RISK OF  
2 ANTICOMPETITIVE CONDUCT BY INCUMBENTS AS LOW?

3

4 A. Yes. The FCC explained that “[w]e view the risk as low not only because of the  
5 economic difficulty that even dominant carriers face in attempting to link forcibly  
6 the purchase of one component to another, but also because of the safeguards that  
7 currently exist to protect against this behavior.” *Id.* at ¶33 (emphasis added).

8 Another factor the FCC considered in reaching its conclusion was

9 the removal of barriers to entry in the local market contained in the  
10 1996 Act and the subsequent increase in local competition, as well  
11 as the Commission's decision to lift similar bundling restrictions in  
12 the cellular markets, that tip the balance in favor of lifting the  
13 bundling restriction on the incumbent LECs' provision of local  
14 exchange service and CPE.

15 *Id.*, at ¶30 (emphasis added).  
16  
17

18 Q. WHAT ARE SOME OF THE SAFEGUARDS THAT ARE IN PLACE TO  
19 PROTECT AGAINST HARM TO COMPETITION THAT THEORETICALLY  
20 COULD BE BROUGHT ABOUT BY BUNDLING?

21

22 A. There are many safeguards that the FCC recognized in its Bundling Order, and I  
23 will not attempt to address all of them here. Among the many safeguards that  
24 exist, however, is the fact that incumbent carriers that market products and  
25 services together at a single price must offer local exchange service components  
26 of the bundle to consumers separately at stand-alone prices, which “ensures that  
27 carriers cannot restrain competition or impede consumer choice.” *Id.* at ¶18. The

1 FCC explained that this separate availability of local exchange service  
2 components of a package on nondiscriminatory terms is an essential safeguard  
3 that “prevent[s] the improper extension of market power.” *Id.* at ¶18. *See also,*  
4 *Id.* at ¶37, ¶44.

5  
6 The FCC also noted that “our cost-accounting rules reduce significantly the  
7 BOC’s incentive and ability to misallocate costs between their regulated and  
8 unregulated service operations.” *Id.*, at ¶45.

9  
10 Finally, while acknowledging that “there is the risk that an incumbent LEC with  
11 market power in the local exchange market could force a customer to purchase  
12 CPE in order to obtain local exchange service,” the FCC stated that

13 We must now take into account, however, that the 1996 Act  
14 changed dramatically the telecommunications landscape by,  
15 among other things, removing entry barriers in the local market.  
16 For instance, section 251 imposes a duty on LECs possessing  
17 market power in the local exchange market to negotiate in good  
18 faith and provide interconnection to competitive carriers, and  
19 provides a list of minimum standards that the incumbent LEC must  
20 offer, including unbundled access to its network and  
21 interconnection that is at least equal in type, quality, and price that  
22 the incumbent LEC provides to itself or any other party. Incumbent  
23 LECs must also offer for resale at wholesale rates any retail  
24 telecommunications service. Section 253 of the Act also mandates  
25 that states may not enact any requirement that prohibits or has the  
26 effect of prohibiting any entity from providing interstate or  
27 intrastate telecommunications service, and requires states and  
28 localities to manage rights-of-way to which competitors need  
29 access in a competitively-neutral and non-discriminatory manner.  
30 [FN109] As a result, local competition has begun to grow as we  
31 indicated above. As this competition increases, we believe that  
32 incumbent LECs will either offer bundled or unbundled packages  
33 as consumers demand or risk losing ground to more responsive  
34 competitors.

1 *Id.*, at ¶36.  
2  
3

4 Q. IS THERE ANY BASIS FOR THE FCC'S BELIEF THAT AS COMPETITION  
5 CONTINUES TO INCREASE IN THE LOCAL EXCHANGE MARKET,  
6 "INCUMBENT LECS WILL EITHER OFFER BUNDLED OR UNBUNDLED  
7 PACKAGES AS CONSUMERS DEMAND OR RISK LOSING GROUND TO  
8 MORE RESPONSIVE COMPETITORS?"  
9

10 A. Yes. The FCC explained that since it lifted restrictions on bundling cellular  
11 service and cellular equipment, "sales of cellular telephones and overall  
12 subscribership to cellular service have increased dramatically," and the FCC  
13 views bundling "one of the positive factors that encouraged it." *Id.*, at ¶36.  
14

15 Q. DO BELLSOUTH'S COMPETITORS OFFER BUNDLES OF SERVICES  
16 PRICED AT LESS THAN THE SUM OF WHAT THEY WOULD PAY IF  
17 THEY PURCHASED EACH OF THE SERVICES IN THE BUNDLE  
18 INDIVIDUALLY?

19 A. Yes – the highly competitive telecommunications market in South Carolina forces  
20 companies to offer these kinds of bundles. This is evident from Exhibit JAR-2,  
21 which is a copy of a newsletter that appears on NewSouth Communications'  
22 website. In this newsletter, NewSouth explains that:

23 In the past couple of years, most businesses have indicated that  
24 they would prefer to receive their services bundled. In 2000, two  
25 studies by *The Strategis Group* revealed that 66 percent of  
26 businesses want bundles with at least two services. With this in

mind, many communications providers are launching bundled packages to suit most businesses' needs, no matter what their size.

NewSouth's newsletter goes on to explain that at least two reasons support customers' desire to bundle their services:

**Convenience** –Hands down, convenience is the number one reason businesses are looking for a bundled package of services. Bundles eliminate tracking of separate bills and also provide a single point of contact. In summer 2002 a study by *Horowitz Associates Inc.*, a communications market research firm in Larchmont, N.Y., found that half of consumers would be willing to buy bundled phone services even if the plans wouldn't save them any money. The bottom line is that bill-payers are looking for, and finding, new ways to consolidate.

**Discounts** – Yes, its true. In most cases, businesses are able to save anywhere from 10 to 50 percent over services ala carte. With more and more companies utilizing more communications services, this can make a significant difference.

Q. WHAT TYPE OF SERVICES TYPICALLY ARE INCLUDED IN THESE BUNDLES?

A. As NewSouth's newsletter explains, there are as many types of bundles as there are competitors in the marketplace:

Typical bundles for businesses include a combination of local phone service, long distance, and Internet access. More complex bundled packages can often include various speeds of Internet access, web hosting, phone cards, and other enhanced data and voice features. Most communication providers have several bundled choices that fit a business' size future growth. As the demand for convenience at the lowest cost grows, bundles will continue to be tweaked and developed as they evolve. Already, they can make a big difference for your business.

See Exhibit JAR-2.

1 As explained in detail below, NewSouth is right with regard to both the residential  
2 market and the business market in South Carolina. Residential and business  
3 customers can choose from a wide array of services (including myriad bundles)  
4 offered by many service providers.

5 **A. EXAMPLES OF CLEC RESIDENTIAL OFFERINGS IN SOUTH CAROLINA**  
6  
7

8 Q. CAN RESIDENTIAL CUSTOMERS IN SOUTH CAROLINA OBTAIN  
9 BUNDLED SERVICE OFFERINGS FROM CLECS?  
10

11 A. Absolutely. Birch, DeltaCom, E-Z Tel, Knology, Momentum, MyLine, VarTec,  
12 WorldCom (now known as MCI), and Z-Tel are among the many local service  
13 providers that offer telecommunications services (including bundles of services)  
14 to residential customers in South Carolina.  
15

16 Q. PLEASE DESCRIBE SOME OF BIRCH'S RESIDENTIAL OFFERINGS IN  
17 SOUTH CAROLINA.  
18

19 A. Birch Telecom's webpage advertises at least three packages of services that are  
20 available to residential customers in South Carolina. These packages range from  
21 \$28.50 to \$33.50 per month, and each package includes anonymous call rejection,  
22 caller ID, call waiting, and call waiting ID. Other features available from Birch  
23 include auto redial / call return / 3-way calling; call blocker; call forward (remote  
24 access optional); call forward busy line / no answer; call forward selective;

1 distinctive ring; distinctive ring additional; priority call; and speed call 8. Exhibit  
2 JAR-3 is a copy of the materials I have just referenced.

3  
4 Q. PLEASE DESCRIBE SOME OF DELTACOM'S RESIDENTIAL OFFERINGS  
5 IN SOUTH CAROLINA.

6  
7 A. According to DeltaCom's tariff, DeltaCom does business as "Grapevine" in South  
8 Carolina, and its "State of Grape Local Service" for example, offers residential  
9 customers who "select "Grapevine" as both their Local Exchange Carrier and  
10 Interexchange Carrier (for interstate, intrastate, and intraLATA toll calls)" a  
11 primary line for \$39.99 per month and up to two additional lines for a monthly  
12 charge of \$24.99 each. The following features "are also provided at no additional  
13 charge on the primary line: call waiting, call waiting ID, caller ID, 3-way calling,  
14 anonymous call rejection, blocking for caller ID, international call blocking,  
15 collect call blocking, third party blocking, third party collect call blocking, toll  
16 call blocking, and 900/976 blocking."

17  
18  
19 Exhibit JAR-4 is a copy of the materials I have just referenced.

20  
21 Q. PLEASE DESCRIBE SOME OF E-Z TEL'S RESIDENTIAL OFFERINGS.

1 A. E-Z Tel, Inc. recently filed a tariff with the Commission that offers various  
2 residential services in South Carolina. Customers who purchase a residential line  
3 may add one or more of the following features at a monthly recurring rate of  
4 \$5.00 each: automatic redial, call block, call forwarding, call forwarding busy /  
5 no answer, call rejection, call return, call selector, call waiting, non-published  
6 number, speed dial, three-way calling, and hunting. Customers may also add  
7 caller ID and call waiting / caller ID to a residential line at a monthly recurring  
8 rate of \$10.00 each. Alternatively, residential customers can purchase one of  
9 three "bundled service packages" that include a line and various features for  
10 \$39.99 or less. Exhibit JAR-5 is a copy of the materials I have just referenced.

11  
12 Q. PLEASE DESCRIBE SOME OF KNOLOGY'S RESIDENTIAL OFFERINGS.

13  
14 A. Knology's webpage says that "Knology connects you to the world . . . through our  
15 combination of Telephone, Cable TV and Internet Services," and it invites  
16 residential subscribers to "Let us design a bundle for you today!" Among the  
17 Knology offerings available in South Carolina is a package for \$49.95 per month  
18 that includes 1250 minutes of long distance, deluxe caller ID, call waiting display,  
19 and voicemail.

20  
21 The webpage also describes Knology Digital Telephone, which includes custom  
22 calling features, advanced calling features, directory services, and voice mail.  
23 Among the features offered on the website are anonymous call rejection,



1 automatic callback, automatic recall, call block, call forwarding, distinctive  
2 ringing, selective call acceptance, selective call forwarding, selective call  
3 rejection, speed calling, three-way calling, intelli-ring, call waiting, caller ID,  
4 caller ID deluxe, call forward busy, call forward don't answer, remote access to  
5 call forwarding, and call waiting display.

6  
7 In discussing "bundled savings," Knology's website says that "Knology services  
8 are priced to save you more money the more you bundle." Among other things,  
9 "[w]hen you combine Knology's Digital Telephone service with one or more other  
10 Knology services, you are eligible for a 5% discount on your local phone line(s)  
11 and your Smart Choice feature package!"

12  
13 Another example of the services that can be bundled with Knology's local  
14 telephone service is discussed in an advertisement that appeared in the Charleston  
15 Post and Courier on June 10, 2003. One side of the ad offers, among other things:

16 Expanded Basic Cable \$25/month for 3 months

17 Bundled saving when you add phone and Internet

18 Knology OneBill – a single convenient monthly statement for all your  
19 Knology services.  
20

21 The other side of the advertisement offers "High-Speed Internet \$25/month for 3  
22 months (including modem)," and it touts "2 Mbps cable modem – faster than any  
23 other cable, DSL or dial-up service."  
24

25 Exhibit JAR-6 is a copy of the materials I have just referenced.

1 Q. PLEASE DESCRIBE SOME OF MOMENTUM'S RESIDENTIAL  
2 OFFERINGS.

3  
4 A. A Momentum advertisement that ran in *The State* newspaper on or about July 6,  
5 2003 says "Attention BellSouth Residential Customers: You can Save Big By  
6 Joining Momentum Family." (Emphasis added). According to the  
7 advertisement, the "Momentum FAMILY 60" offering includes "FREE Unlimited  
8 Local Calling," "FREE 60 Minutes Long Distance," and "FREE 10 Popular  
9 Calling Features" for as low as \$29.95 a month. The "Momentum FAMILY  
10 Unlimited" offering includes "FREE Unlimited Local Calling," "FREE Unlimited  
11 Long Distance," and "FREE 10 Popular Calling Features" for as low as \$42.95 a  
12 month.

13  
14 Momentum's website further explains that this \$42.95 a month offer includes a  
15 line plus caller ID deluxe, call waiting ID, 3-way calling, repeat dialing, call  
16 forward, call block, call return, 30 code speed dial, 900/976 rejection, anonymous  
17 call rejection, and unlimited long distance calling anywhere in the continental  
18 United States.

19  
20 Exhibit JAR-7 is a copy of the materials I have just referenced.

21  
22 Q. PLEASE DESCRIBE SOME OF MYLINE'S RESIDENTIAL OFFERINGS.

1 A. An ad that ran in the *Easley Progress and the Daily Journal-Messenger* during  
2 the week of April 14, 2003 touts MyLine residential services with phrases such as  
3 "No Deposit!" "No Switching Fee!" and "Keep Your Same Number!" According  
4 to the ad, "MyLine Basic Phone Service" offers the following from \$29.95:

5 Friends-R-Free unlimited long distance to other MyLine  
6 customers;

7  
8 Local Calling within your basic calling service area;

9  
10 Three calling features – call waiting, call return, and three way  
11 calling; and

12  
13 "long distance FREE when calling other MyLine customers and  
14 only 6.9¢ per minute for all other in-state and state-to-state calls!" .  
15

16 Additionally, "MyLine Complete Home Phone Service" offers "unlimited long  
17 distance to anyone!!!" as well as "local calling within your basic calling service  
18 area" and "ten calling features – caller.ID, call waiting, call return, three way  
19 calling, call blocking, call forwarding, distinctive ring, auto redial, speed dial, and  
20 anonymous call rejection" from \$49.95. Exhibit JAR-8 is a copy of the materials  
21 I have just referenced.  
22

23 Q. PLEASE DESCRIBE SOME OF VARTEC'S RESIDENTIAL OFFERINGS.  
24

25 A. VarTec Telecom, Inc.'s webpage indicates that it offers various local residential  
26 service packages in South Carolina that are priced from \$29.95 per month to  
27 \$49.95 per month. Depending on the package, VarTec offers call waiting deluxe,  
28 caller ID deluxe, 300 minutes of domestic long distance, call block, call return,

1 repeat dialing, speed calling 8, and three-way calling. Exhibit JAR-9 is a copy of  
2 the materials I have just referenced.

3  
4 Q. PLEASE DESCRIBE SOME OF WORLDCOM'S (NOW KNOWN AS MCI'S)  
5 RESIDENTIAL OFFERINGS.

6  
7 A. By now, everyone has seen "the Neighborhood" television commercials and  
8 newspaper advertisements featuring actor Danny Glover and the bright yellow  
9 and green colors. In addition to these aggressive television and newspaper  
10 campaigns, MCI also sends direct mail pieces to potential subscribers. One such  
11 piece, which was sent to a person in Spartanburg, South Carolina, tells potential  
12 residential customers that

13 Now from your home phone you can get **unlimited local** and  
14 **unlimited long distance** from one company, on one bill!

15  
16 According to this mailing, "for \$55.99" a month the "Neighborhood Complete"  
17 offering provides "unlimited local calls, unlimited regional calls, unlimited long  
18 distance, call waiting, caller ID, and voicemail." The mailing says that customers  
19 also receive "**10 FREE movie or game rental certificates** good at a participating  
20 BLOCKBUSTER store," and that customers will "continue to earn a free rental  
21 certificate for every \$25 [they] spend each month as a member of The  
22 Neighborhood. **That's up to 34 free rentals a year!**" And that is just one  
23 "Neighborhood" offering -- the mailing says that "the Neighborhood has a range  
24 of plans for you to choose from."

1 MCI's webpage says that over 2 million customer have joined the Neighborhood,  
2 and its says that

3 The Neighborhood isn't just about talking on your phone – its  
4 about getting the most out of it. That's why Call Waiting, Caller  
5 ID, Call Waiting ID, Speed Dial 8 and Three-Way Calling are  
6 included at no extra charge. So you can do things like: see who's  
7 calling before you answer, call someone at the touch of a button,  
8 get three people on the line whenever you want, and never miss an  
9 important call.

10  
11 Exhibit JAR-10 is a copy of the materials I have just referenced.  
12

13 Q. PLEASE DESCRIBE SOME OF Z-TEL'S RESIDENTIAL OFFERINGS.  
14

15 A. Z-Tel's webpage says that "Z-LineHOME is the first complete home phone  
16 service. It's everything you need in one package, for less than other phone  
17 companies would charge you for a similar package." This page describes a \$59.99  
18 per month "Z-LineHOME Unlimited for South Carolina" plan that includes  
19 unlimited local calling, unlimited domestic long distance, personal voice assistant,  
20 call waiting, caller ID, 3-way calling, speed calling, enhanced voice mail, Find  
21 Me call forwarding, notify me, and Z-LineHOME access card. Exhibit JAR-11 is  
22 a copy of the materials I have just referenced.

23  
24 **B. EXAMPLES OF CLEC BUSINESS OFFERINGS IN SOUTH CAROLINA**  
25  
26

27 Q. CAN BUSINESS CUSTOMERS IN SOUTH CAROLINA OBTAIN  
28 TELECOMMUNICATIONS SERVICES LIKE THOSE THAT ARE SUBJECT  
29 TO BELL SOUTH'S TARIFF FILING FROM OTHER SERVICE PROVIDERS?

1 A. Absolutely. BTI, Knology, NewSouth, NuVox, Southeastern Telecom and Sprint  
2 are among the many local service providers that offer telecommunications  
3 services (including bundles of services) to business customers in South Carolina.

4  
5 Q. PLEASE DESCRIBE SOME OF BTI'S BUSINESS OFFERINGS.  
6

7 A. BTI's website says

8 Think you're stuck with the same giant company for local dial  
9 tone? BTI offers the same reliable service as the incumbent, with  
10 all of the features and extras your business requires. With the most  
11 "Bell-like" network in the Southeast, we are your single-source for  
12 a full range of enhanced local service. The difference? Lower rates  
13 and the simplicity of BTI.

14  
15 According to its website, BTI offers a "complete selection of custom features  
16 (including but not limited to: call waiting, call forwarding, speed dial, three way  
17 calling, call return, caller ID, repeat dial, etc.)." This webpage also discusses  
18 "BTI's two flagship bundles" and says "[w]hether you require voice, data or  
19 Internet, our flexible, customizable packages are the smart business choice" that  
20 "simplify your life with one company, one bill, and one point of contact." Exhibit  
21 JAR-12 is a copy of the materials I have just referenced.  
22

23 Q. PLEASE DESCRIBE SOME OF KNOLOGY'S BUSINESS OFFERINGS.  
24

25 A. A Knology advertisement that appeared in the May 2003 edition of the Central  
26 Savannah River Area Business Monthly magazine offers three phone lines, free  
27 hunting, and two free features for \$85.60 per month. It also says "add high speed

1 Internet access and receive 1st month free with free cable modem rental," and it  
2 offers "flat rate long distance as low as \$0.05 per minute!!!" Exhibit JAR-13 is a  
3 copy of the materials I have just referenced.

4  
5 Q. PLEASE DESCRIBE SOME OF NEWSOUTH'S BUSINESS OFFERINGS.

6  
7 A. According to its website, NewSouth offers "an array of software-defined features  
8 provided by our Lucent AnyMedia™ digital switch," including hunting, call  
9 forwarding, call waiting, conferencing, and speed calling. NewSouth also offers  
10 various enhanced features, including Individual Dialing Plans that allow its  
11 facilities-based voice customers to access separate office location through three,  
12 four, or five-digit dialing; conference calling for up to six people "whenever you  
13 need it, without higher rates;" queuing that allows customers to redirect excess  
14 calls to a waiting group or queue until a line is available, and single and multiple  
15 line forwarding. Exhibit JAR-14 is a copy of the materials I have just  
16 referenced.

17  
18 Q. PLEASE DESCRIBE SOME OF NUVOX'S BUSINESS OFFERINGS.

19  
20 A. NuVox's website offers the NuBundle Business Package that is comprised of  
21 "unlimited high-speed Internet access, Web hosting, feature-rich local phone  
22 service and long distance service." The website also states that another offering,  
23 CompleteVoice Plus, "offers feature-rich local service, affordable long distance,



1 and robust optional calling features for businesses requiring a powerful  
2 communications solution." Exhibit JAR-15 is a copy of the materials I have just  
3 referenced.

4  
5 Q. PLEASE DESCRIBE SOME OF SOUTHEASTERN TELECOM'S BUSINESS  
6 OFFERINGS.

7  
8 A. The June 10, 2003 edition of the *Greenville News* ran an advertisement for  
9 Southeastern Telecom, Inc. touting "competitive rates" for "local/long distance  
10 service," "dedicated Internet Services," and "Data  
11 Networks/Frame/ATM/IP/DSL." It includes the phrase, "Proudly serving BMW  
12 from Day One!" Exhibit JAR-16 is a copy of the materials I have just referenced.

13  
14 Q. PLEASE DESCRIBE SOME OF SPRINT'S BUSINESS OFFERINGS.

15 A. A Sprint press release dated April 29, 2003 announces that Sprint is opening  
16 several new business sales offices in key cities in South Carolina. Additionally,  
17 an article that appeared in the May 21, 2003 edition of the *Spartanburg Herald-*  
18 *Journal* states that Sprint "is moving to sell local phone service to its cellular and  
19 long-distance customers" because it believes "the local plan could develop into an  
20 effort to get more people to drop landlines and go all wireless." It goes on to say  
21 that a Sprint executive "acknowledges the grave threat that Internet-based  
22 communications and other technologies pose to traditional landline calling."  
23 Exhibit JAR-17 is a copy of the materials I have just referenced.

C. EXAMPLES OF OFFERINGS VIA OTHER TECHNOLOGIES

Q. THE RESIDENTIAL AND BUSINESS OFFERING YOU HAVE JUST DESCRIBED ARE ALL TRADITIONAL LANDLINE OFFERINGS. IS TRADITIONAL LANDLINE SERVICE THE ONLY TYPE OF TECHNOLOGY BY WHICH VOICE SERVICES ARE AVAILABLE IN SOUTH CAROLINA?

A. Not at all. Voice services also are available over wireless and Internet technologies.

Q. PLEASE GIVE AN EXAMPLE OF VOICE SERVICES THAT ARE AVAILABLE THROUGH WIRELESS TECHNOLOGY IN SOUTH CAROLINA.

A. You can hardly open a newspaper these days without seeing advertisements for wireless packages that include various bundles of local service, long distance service, and features at highly competitive rates. For example, SunCom (which is a member of the AT&T Wireless Network) recently ran an advertisement in *The State* newspaper that reads, "Get all your calls, all the time, for one low price." The ad touts the "highest quality digital network," and it says that customers can "call anytime anywhere." According to the ad, there are "no long distance or roaming charges," and there is "one flat monthly subscription. Only \$49.95."

1 A flyer Sprint recently circulated advertises 500 Anytime Minutes, Unlimited  
2 PCS to PCS calling, unlimited night and weekend minutes, and "nationwide long  
3 distance included every minute, every day" for \$45.00 per month. The other side  
4 of the flyer says "Sprint gives you an incredible selection of PCS Phones with  
5 features including: built-in camera, full-color screens, games, voice-activated  
6 dialing, caller ID, speakerphone and so much more," and it says "now, save up to  
7 \$100 on select PCS phones!"  
8

9 Exhibit JAR-18 is a copy of the materials I have just referenced.  
10

11 Q. PLEASE GIVE AN EXAMPLE OF VOICE SERVICES THAT ARE  
12 AVAILABLE THROUGH INTERNET TECHNOLOGY IN SOUTH  
13 CAROLINA.  
14

15 A. Vonage's website advertises, among other things, a plan for \$39.99 per month that  
16 offers

17 FREE Long Distance

18 FREE Call Waiting

19 FREE Voice Mail

20 FREE Call Forwarding

21 FREE Repeat Dialing

22 FREE Call Transfer

23 FREE Caller ID block  
24  
25  
26  
27  
28  
29  
30

1 Int'l Fees to Canada Waived

2 Virtual Phone Numbers

3 Any area code of your choice

4  
5  
6  
7 A recent press release for Vonage discusses "Vonage Digital Voice telephone  
8 service offering free unlimited local and long distance calling, including the most  
9 popular features like call waiting, call forwarding and voicemail for one low, flat  
10 monthly rate." The release quotes the chairman and CEO of Vonage as saying

11 Vonage is bringing South Carolina's capital city the freedom and  
12 flexibility to select an affordable new phone service. As we  
13 expand further into the South, Vonage is the choice for residents  
14 and small businesses offering flat-rate calling plans throughout the  
15 US and Canada that include all of the features, as well as many  
16 features not available from traditional phone carriers like online  
17 voicemail retrieval and area code selection.

18  
19 (Emphasis added). The press release quotes residential prices of \$25.00 per  
20 month to \$39.99 per month for residential customers and \$39.99 per month to  
21 \$69.99 per month for business customers.

22  
23 Additionally, Vonage's service was featured as the cover story in the "Money"  
24 section of the *USA Today* on July 7, 2003. The article discusses a St. Louis  
25 customer who "ditched his trusty SBC Communications local phone service in  
26 favor of an offering from . . . Vonage." The article goes on to say that:

27 Now [the residential customer's] calls travel over the Internet via  
28 his cable broadband line. His typical \$120 monthly bill has been  
29 cut to a flat \$39.99 rate for unlimited local and long distance calls  
30 and features such a caller ID. Because his physical location is  
31 irrelevant for Internet phone service, he was able to choose a  
32 number with a San Francisco area code (415), allowing a close  
33 friend in that city to dodge long-distance charges. Plus, via a PC  
34 he can hear his voice mail by clicking on e-mail, and he can update

1 his call-forwarding, track his calls and bills and even change his  
2 phone number, all on the Web.

3  
4 The article then quotes a cable company executive as saying "the big selling point  
5 for Web-based calling will be a whole new range of features."

6  
7 Exhibit JAR-19 is a copy of the materials I have just referenced.  
8

9 Q. HAVE YOU DISCUSSED ALL OF THE COMPETITIVE OFFERINGS THAT  
10 ARE AVAILABLE TO SOUTH CAROLINA RESIDENTIAL AND BUSINESS  
11 CUSTOMERS?

12 A. No, and given that hundreds of CLECs are authorized to provide local exchange  
13 telecommunications service in South Carolina, it would be impossible to do so.  
14 My testimony hardly scratches the surface of the offerings that are available to  
15 consumers in South Carolina..

16 Q. GIVEN THE AVAILABILITY OF A VARIETY OF BUNDLES FROM A  
17 VARIETY OF PROVIDERS, IS BUNDLING LIKELY TO BE AN "ABUSE OF  
18 MARKET POSITION?"

19 A. No, it is not. When companies that obviously lack market power employ a  
20 bundling marketing strategy in order to succeed in the marketplace, it is  
21 reasonable to infer that there are appropriate pro-competitive reasons for  
22 employing that bundling strategy. In other words, the bundling strategy in no way

1 depends on the existence of market power, or the likelihood of acquiring market  
2 power, in order to succeed.

3 **VI. RECOMMENDED CRITERIA**

4 Q. DO YOU HAVE ANY SUGGESTIONS AS TO WHAT CRITERIA THE  
5 COMMISSION SHOULD ADOPT FOR DETERMINING WHETHER  
6 CERTAIN CONDUCT IS AN ABUSE OF MARKET POSITION?

7 A. Yes. Since September 2000, BellSouth has been operating pursuant to the price  
8 floor the Commission adopted in its Guidelines Order. Since July 2002, the rate  
9 increases set forth in the BellSouth tariff that led to the commencement of this  
10 proceeding have been in effect.

11  
12 And competition has flourished. More CLECs in South Carolina are offering  
13 more services in South Carolina to more customers in South Carolina than ever  
14 before. The existing price floor obviously are more than sufficient to protect the  
15 already vibrant and steadily growing competition that benefits consumers in South  
16 Carolina.

17  
18 Therefore, BellSouth believes that the Commission should adopt as a "safe  
19 harbor" a price floor of total service long run incremental costs. As BellSouth  
20 witness Dr. Taylor explains in his testimony, this price floor protects against cross

1 subsidies, and it goes even further than is necessary in protecting against  
2 predatory pricing.

3  
4 Q. WHAT DO YOU MEAN WHEN YOU SAY THE COMMISSION SHOULD  
5 ADOPT THIS PRICE FLOOR AS A "SAFE HARBOR?"

6  
7 A. By "safe harbor," I mean that the Commission should determine that price  
8 adjustments for "Other Services" are not an abuse of market position if the  
9 resulting prices are at or above total service long run incremental costs.

10  
11 Q. WHY IS IT APPROPRIATE TO ADOPT THIS SAFE HARBOR?

12  
13 A. This safe harbor provides an economically-sound bright-line test for determining  
14 that pricing conduct clearly is not an abuse of market position. Without this safe  
15 harbor, the Commission could be inundated with complaints by the Consumer  
16 Advocate and others any time a LEC operating under the alternative regulation  
17 statute adjusts its prices for "Other Services."

1 Q. HOW DO YOU SUGGEST THE COMMISSION SHOULD ADDRESS PRICE  
2 ADJUSTMENTS THAT DO NOT FALL WITHIN THIS "SAFE HARBOR?"

3

4 A. As explained both in my testimony and in the testimony of BellSouth witness Dr.  
5 Taylor, prices that fall below total service long run incremental costs may or may  
6 not be an abuse of market position, depending on the circumstances. The  
7 Commission, therefore, should address adjustments that result in rates for "Other  
8 Services" that are below total service long run incremental costs in the manner  
9 suggested by Staff witness Dr. Spearman – on a case-by-case basis. In doing so,  
10 the Commission should apply traditional, tried-and-true antitrust principles to  
11 determine whether any such adjustment is, in fact, an abuse of market position.

12

13 Q. ARE THERE ANY OTHER SAFEGUARDS THAT APPLY TO  
14 ADJUSTMENTS TO THE PRICES OF BELL SOUTH'S "OTHER SERVICES?"

15

16 A. Yes. For all of the reasons explained in my testimony and in the testimony of  
17 BellSouth witness Dr. Taylor, a price cap for "Other Services" is neither  
18 necessary nor appropriate. BellSouth, however, volunteered to comply with the  
19 price cap the Commission adopted in its Guidelines Order, and BellSouth is  
20 continuing to volunteer to comply with that cap.



1 Q. DOES THAT CONCLUDE YOUR TESTIMONY?

2

3 A. Yes.

4

5 498945

# EXHIBIT

## JAR-1

BELLSOUTH  
TELECOMMUNICATIONS, INC.  
SOUTH CAROLINA  
ISSUED: July 18, 2002  
BY: President - South Carolina  
Columbia, South Carolina

## GENERAL SUBSCRIBER SERVICE TARIFF

Fourth Revised Page 15.2  
Cancels Third Revised Page 15.2

EFFECTIVE: August 1, 2002

**A13. MISCELLANEOUS SERVICE ARRANGEMENTS****A13.9 Custom Calling Services (Cont'd)****A13.9.3 Rates<sup>1</sup>****(DELETED)**

Refer to A13.33 of this Tariff for discounts applicable to the subscription rate of selected multiple features.

**A. Residence****1. Individual Features**

	Monthly Rate	USOC	
(a) Call Forwarding Variable <sup>2</sup>	\$4.00	ESM	(M)
(b) Three-Way Calling <sup>2</sup>	5.00	ESC	(M)
(c) Call Waiting <sup>2</sup>	4.50	ESX	(M)
(d) Speed Calling (8 Code) <sup>2</sup>	3.50	ESL	(M)
(e) Speed Calling (30 Code) <sup>2</sup>	4.50	ESF	(M)
(f) Call Forwarding Busy Line	1.00	GCE	(M)
(g) Call Forwarding Don't Answer	1.00	GCJ	(M)
(h) Customer Control Call Forwarding Busy Line <sup>2</sup>	3.00	GJP	(M)(T)
(i) Customer Control Call Forwarding Don't Answer <sup>2</sup>	3.00	GJC	(M)(T)
(j) Call Forwarding Busy Line Multipath or Customer Control Call Forwarding Busy Line Multipath <sup>3</sup>	2.00	CFSBX	(M)(T)
(k) Call Forwarding Don't Answer Multipath or Customer Control Call Forwarding Don't Answer Multipath <sup>3</sup>	2.00	CFSDX	(M)(T)
(l) Call Forwarding Variable Multipath or Remote Access Call Forwarding Variable Multipath <sup>3</sup>	3.00	CFSVX	(M)(T)
(m) Remote Access Call Forwarding Variable <sup>2</sup>	6.50	GCZ	(M)(T)
(n) Call Waiting Deluxe <sup>2</sup>	6.50	ESXD+	(M)
(o) Call Forwarding Don't Answer <i>with</i> Ring Control <sup>2</sup>	1.00	GCJRC	(M)(T)
(p) Star 98 Access <sup>2</sup>	1.00	S98AF	(M)(T)

**Note 1:** A Secondary Service Charge is applicable to all listed services except for Call Waiting Deluxe when provided on a separate order.

**Note 2:** Monthly rate per C.O. line equipped.

**Note 3:** Monthly rate for up to ten (10) call forwarding path.

BELLSOUTH  
TELECOMMUNICATIONS, INC.  
SOUTH CAROLINA  
ISSUED: June 6, 2002  
BY: President - South Carolina  
Columbia, South Carolina

## GENERAL SUBSCRIBER SERVICE TARIFF

Thirteenth Revised Page 33.4.3  
Cancels Twelfth Revised Page 33.4.3

EFFECTIVE: June 20, 2002

**A13. MISCELLANEOUS SERVICE ARRANGEMENTS****A13.19 TouchStar® Service (Cont'd)****A13.19.3 Regulations and Limitations of Service (Cont'd)****A. The following limitations apply: (Cont'd)**

11. Telephone numbers/names transmitted via Caller ID - Basic, Caller ID - Deluxe, Enhanced Caller ID, Enhanced Caller ID with Call Management or Call Tracking are intended solely for the use of these subscribers. Resale of this information is prohibited.
12. Calling party information via Caller ID - Basic, Caller ID - Deluxe, Enhanced Caller ID, Enhanced Caller ID with Call Management and Call Tracking are not available on operator handled calls.
13. The Company's liability arising out of the provision of any Touchstar® service feature, including but not limited to the delivery or non-delivery of calling numbers/names, is limited as set forth in A2.5.1 of this Tariff.
14. TouchStar® service features are not available on trunks except as specifically noted in 2. preceding.
15. TouchStar® service can be suspended as specified in A2.3.16 of this Tariff. During the period of suspension, no recurring charge applies.
16. Per use Call Return, Repeat Dialing, denial of per use Call Return and denial of per use Repeat Dialing are available to the following types of service where facilities permit: single line residence, single line business, multi-line residence, multi-line business and PBX trunks.

**A13.19.4 Rates and Charges****A. Residence - Individual Features****(1) Call Return<sup>1</sup>**

	Nonrecurring Charge	Monthly Rate	USOC	
(a) Per line	\$ -	\$5.00	NSS	(I)(T)
(b) Per use	.90	-	NA	(I)(T)
(c) Denial of per use <sup>2</sup>	-	-	BCR	(T)
<b>(2) Repeat Dialing<sup>1</sup></b>				
(a) Per line	-	4.00	NSQ	(T)
(b) Per use	.90	-	NA	(I)(T)
(c) Denial of per use <sup>2</sup>	-	-	BRD	(T)
<b>(3) BusyConnect<sup>3</sup></b>				
(a) Per use	.90	-	NA	(I)(T)
<b>(4) Call Selector</b>				
		Monthly Rate	USOC	
(a) Per line		4.00	NSK	(T)
<b>(5) Preferred Call Forwarding</b>				
(a) Per line		4.00	NCE	(T)
<b>(6) Call Block</b>				
(a) Per line		4.00	NSY	(T)
<b>(7) Call Tracing</b>				
(a) Per line		4.00	NST	(T)
<b>(8) Caller ID Basic</b>				
(a) Per line (Includes single lines, Multi-Line Hunt Groups, and lines in rotary arrangements)		7.00	NSD	(I)(T)

**Note 1:** Due to technological limitations, in some locations Call Return and Repeat Dialing cannot be ordered separately.

**Note 2:** Denial of per use Call Return and denial of per use Repeat Dialing should not be included in the determination of appropriate discounts when ordered in conjunction with other vertical service features.

**Note 3:** Denial of per use BusyConnect can be obtained using the Repeat Dialing denial of per use USOC BRD.

BELLSOUTH  
TELECOMMUNICATIONS, INC.  
SOUTH CAROLINA  
ISSUED: June 6, 2002  
BY: President - South Carolina  
Columbia, South Carolina

## GENERAL SUBSCRIBER SERVICE TARIFF

Tenth Revised Page 33.4.4  
Cancels Ninth Revised Page 33.4.4

EFFECTIVE: June 20, 2002

**A13. MISCELLANEOUS SERVICE ARRANGEMENTS****A13.19 TouchStar® Service (Cont'd)****A13.19.4 Rates and Charges (Cont'd)****A. Residence - Individual Features (Cont'd)****(9) Caller ID - Deluxe**

	Monthly Rate	USOC	
(a) Per line (Includes single lines, Multi-Line Hunt Groups, and lines in rotary arrangements)	\$7.95	NXMCR	(I)(T)
(10) Caller ID - Deluxe (without ACR)			
(a) Per line per Multi-Line Hunt Group arrangement	7.95	NXMMN	(I)(T)
(11) Anonymous Call Rejection			
(a) Per line	3.00	HBV	(T)
(12) Calling Number Delivery Blocking Permanent <sup>1</sup>			
(a) Per line (chargeable)	\$2.00	NOBPC	
(13) Calling Number Delivery Blocking - Permanent (Non-Published and Non-Listed Customers)			
(a) Per line	-	NOBPP	

**B. Business - Individual Features****(1) Call Return<sup>2</sup>**

	Nonrecurring Charge	Monthly Rate	USOC	
(a) Per line	\$-	\$5.50	NSS	(T)
(b) Per use	.90	-	NA	(I)(T)
(c) Denial of per use	-	-	BCR	
(2) Repeat Dialing <sup>2</sup>				
(a) Per line	-	5.00	NSQ	(I)(T)
(b) Per use	.90	-	NA	(I)(T)
(c) Denial of per use	-	-	BRD	
(3) BusyConnect <sup>3</sup>				
(a) Per use	.90	-	NA	(I)(T)
(4) Call Selector				
		Monthly Rate	USOC	
(a) Per line		5.00	NSK	(I)(T)
(5) Preferred Call Forwarding				
(a) Per line		5.00	NCE	(I)(T)
(6) Call Block				
(a) Per line		5.00	NSY	(I)(T)
(7) Call Tracing				
(a) Per line		5.50	NST	(I)(T)

**Note 1:** Denial of per use Call Return, denial of per use Repeat Dialing and Calling Number Delivery Blocking - Permanent should not be included in the determination of appropriate discounts when ordered in conjunction with other vertical service features.

**Note 2:** Due to technological limitations, in some locations Call Return and Repeat Dialing cannot be ordered separately.

**Note 3:** Denial of per use BusyConnect can be obtained using the Repeat Dialing Denial of per use USOC BRD.

ISSUED: February 22, 2002

EFFECTIVE: March 25, 2002

ISSUED BY: Melissa A. Smith, Esq.

Vice President - External Legal Affairs

1600 Viceroy Drive

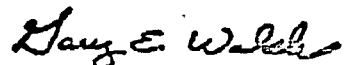
Dallas, Texas 75235

(214) 424-1000

**4.0 RATE SCHEDULES (Continued)****4.3 (Reserved for Future Use)**

APPROVED FOR FILING  
THE PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA

MAR 19 2002



EXECUTIVE DIRECTOR

**4.4 Call Management Features - Rates and Charges**

Subscribers to Call Management Features will be billed at the following rates in addition to all charges associated with the Customer's basic local service plan.

	<u>Monthly Rate</u>	<u>Per Use Charge</u>	(N)
Repeat Dialing	\$2.95 (R)	\$0.75	
Call Block	\$2.95	N/A	
Call Forwarding	\$2.95	N/A	
Call Forwarding - Busy Line	\$2.95	N/A	
Call Forwarding - No Answer	\$2.95	N/A	
Remote Access to Call Forwarding	\$3.95	N/A	
Preferred Call Forwarding	\$2.95	N/A	
Call Waiting	\$2.95	N/A	
Caller ID - Basic	\$4.95	N/A	
Caller ID - Deluxe	\$5.95	N/A	
Speed Calling	\$2.95	N/A	
Three-Way Calling	\$2.95	\$0.75	
Anonymous Call Rejection	\$2.95	N/A	
Call Waiting Deluxe	\$3.95	N/A	(T)
Calling Number Blocking	\$2.95	N/A	(T)
Call Return	\$2.95 (R)	\$0.75	
Call Trace	\$4.00 (N)	N/A	
Caller ID - Deluxe (with ACR)	\$6.95 (N)	N/A	(N)

## FINAL TARIFF

SECTION 4 - RATES AND CHARGES (Continued)~~Current Rates~~~~4.2 Optional Features Rates~~

	<u>Monthly</u>	<u>One-Time Activation Fee</u>	<u>Per Use Fee</u>
Automatic Redial	\$ 5.00	N/A	N/A
Call Block	\$ 5.00	N/A	N/A
Call Forwarding	\$ 5.00	N/A	N/A
Call Forwarding Busy / No Answer	\$ 5.00	N/A	N/A
Call Rejection	\$ 5.00	N/A	N/A
Call Return	\$ 5.00	N/A	N/A
Call Selector	\$ 5.00	N/A	N/A
Call Waiting	\$ 5.00	N/A	N/A
Caller ID	\$10.00	\$10.00	N/A
Call Waiting / Caller ID	\$10.00	N/A	N/A
Non-Published Phone Number	\$ 5.00	N/A	N/A
Speed Dial	\$ 5.00	N/A	N/A
Three-Way Calling	\$ 5.00	N/A	\$0.90
Auto Call Back	N/A	N/A	\$0.90
Auto Recall	N/A	N/A	\$0.90
Call Trace	N/A	N/A	N/A
Hunting	\$ 5.00	N/A	N/A

*Some material previously found on this page relocated to page 24.*

**4.3 Directory Listings Rates and Charges****4.3.1 Non-Recurring Charges**

Primary Listing (one number): N/C

**4.3.2 Recurring Charges**

Primary Listing (one number): N/C

## CURRENT PRICE LIST

Item	Tariff Reference	Current Price	
Connection, New Service, Residential - First Line	5.3.A.1	\$ 29.95	(I)
Connection, New Service, Residential - First Line Bundle	5.3.A.1	\$ 9.95	(N)
Connection, New Service, Business	5.3.A.1	\$ 30.00	
Connection, New Service, Residential - Additional Line	5.3.A.1	\$ 9.95	
Connection, New Service, Business - Additional Line	5.3.A.1	\$ 10.00	
Termination Charge	5.4	\$ 100.00	
Additional Line, Residential	5.3.A.1	\$ 15.40	(I)
Additional Line, Residential Bundled	5.3.A.1	\$ 12.65	(I)
Additional Line, Business	5.3.A.1	\$ 43.40	
Service Move or Change, Residential	5.3.A.2	\$ 8.00	
Service Move or Change, Business	5.3.A.2	\$ 10.00	
Premise Visit Charge	5.5.2.A	\$ 45.00	
Residential Area Calling Plan	6.3.2	\$ 21.60	
Returned Check Charge	as specified by S.C. Statutes		
Service Restoration, Residential	5.7.2	\$ 29.95	(I)
Service Restoration, Business	5.7.2	\$ 50.00	
PIC/LPIC Change Charge - Residential	5.8.2	\$ 1.50	
PIC/LPIC Change Charge - Business	5.8.2	\$ 1.50	
<del>1-Party Service, Residential</del>	<del>6.1.2</del>	<del>\$ 15.40</del>	
<del>1-Party Service, Residential Bundled</del>	<del>6.1.2</del>	<del>\$ 14.65</del>	<del>(I)</del>
1-Party Service, Business On-Network	6.1.2	\$ 37.83	
1-Party Service, Business Resale	6.1.2	\$ 47.40	
Additional Alpha Listing, Residential	7.1.7.A	\$ 1.20	
Additional Alpha Listing, Business	7.1.7.A	\$ 1.20	
Foreign Directory Listing, Residential	7.1.7.A	\$ 1.00	
Foreign Directory Listing, Business	7.1.7.A	\$ 1.50	
Non-Listed telephone Number, Residential	7.1.7.A	\$ 0.80	
Non-Listed telephone Number, Business	7.1.7.A	\$ 0.80	
Non-Published Number, Residential	7.1.7.A	\$ 1.75	
Non-Published Number, Business	7.1.7.A	\$ 1.75	
Rotary Service - Residential	8.1.2.A.5	\$ 7.50	
Rotary Service - Business	8.1.2.A.5	\$ 10.00	
<del>Call Waiting Display - Residential</del>	<del>8.9.1.B.7</del>	<del>\$ 5.70</del>	<del>(I)</del>
Call Waiting Display - Business	8.9.1.B.7	\$ 5.95	

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THE PUBLIC SERVICE COMMISSION  
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APR 23 2003

Issued: April 18, 2003

Issued by:

Rodger Johnson, President  
Knology of South Carolina, Inc.  
1241 O.G. Skinner Drive  
West Point, Georgia 31833

Effective:



## CURRENT PRICE LIST

Item	Tariff Reference	Current Price
Anonymous Call Rejection - Residential	8.9.1.B.1	\$ 3.00
Anonymous Call Rejection - Business	8.9.1.B.1	\$ 3.75
<del>Automatic Call Back - Residential</del>	<del>8.9.1.B.2</del>	<del>\$ 3.80 (I)</del>
Automatic Call Back - Business	8.9.1.B.2	\$ 4.50
Automatic Recall - Residential	8.9.1.B.3	\$ 3.80 (I)
Automatic Recall - Business	8.9.1.B.3	\$ 4.95
<del>Call Forwarding - Residential</del>	<del>8.1.1.A.1</del>	<del>\$ 3.80 (I)</del>
Call Forwarding - Business	8.1.1.A.1	\$ 4.95
Distinctive Ringing - Residential	8.9.1.B.8	\$ 3.80 (I)
Distinctive Ringing - Business	8.9.1.B.8	\$ 4.50
Selective Call Acceptance - Residential	8.9.1.B.9	\$ 3.80 (I)
Selective Call Acceptance - Business	8.9.1.B.9	\$ 4.50
<del>Selective Call Forwarding - Residential</del>	<del>8.9.1.B.10</del>	<del>\$ 3.80 (I)</del>
Selective Call Forwarding - Business	8.9.1.B.10	\$ 4.95
Selective Call Rejection - Residential	8.9.1.B.11	\$ 3.80 (I)
Selective Call Rejection - Business	8.9.1.B.11	\$ 4.95
Intelli-Ring - Residence	8.9.1.B.12	\$ 3.80 (I)
Intelli-Ring - Business	8.9.1.B.12	\$ 7.95
Speed Calling (8) - Residential	8.1.1.A.5	\$ 3.30 (I)
Speed Calling (8) - Business	8.1.1.A.5	\$ 4.95
<del>Three-Way Calling - Residential</del>	<del>8.1.1.A.4</del>	<del>\$ 3.30 (I)</del>
Three-Way Calling - Business	8.1.1.A.4	\$ 4.95

**Enhanced Business Choice features:**

Call Transfer	8.7.2	\$ 3.75
Call Pickup	8.7.2	\$ 0.50
Hold/Consultation	8.7.2	\$ 1.50
User Transfer/Conferencing	8.7.2	\$ 5.25
User Transfer/Conferencing with Call Pickup	8.7.2	\$ 5.75
User Transfer/Conferencing with Call hold	8.7.2	\$ 5.25
User Transfer/Conferencing with Call Pickup and Call Ho	8.7.2	\$ 5.75
Six Way Conference	8.7.2	\$ 12.00
Intercom	8.7.2	\$ 3.00
Toll Restriction/Authorization Code	8.7.2	\$ 3.75
<del>Enhanced Business Choice (excludes Six Way Conference)</del>	8.7.2	\$ 15.53

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*James E. Walker*  
PAGE 01 OF 10  
EX-103

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1241 O.G. Skinner Drive  
West Point, Georgia 31833

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## SECTION 4 - RATES, CONT.

Enhanced Caller ID with Call Management w/ ACR	Monthly	\$16.10	N1ACR	na
Flexible Call Forwarding	Monthly	\$8.50	FCS	4.75
Flexible Call Forwarding (Audio Calling Name)	Monthly	\$10.40	FCSCN	6.65
Message Waiting Indicator - Audible	Monthly	\$0.57	MWW	.48
Message Waiting Indicator - Audible/Visual	Monthly	\$0.48	MWWAV	.48
My Call Service 1	Monthly	\$7.55	DRS	3.80
My Call Service 2	Monthly	\$9.45	DRS1X	5.70
Preference Call	Monthly	\$4.28	NSK	3.99
Preferred Call Forwarding	Monthly	\$4.70	NCE	3.99
Remote Access Call Forwarding Variable	Monthly	\$8.50	GCZ	6.46
Repeat Dialing, Per Activation	Per Use	\$0.71	N/A	0.00
Repeat Dialing	Monthly	\$4.28	NSQ	3.99
Speed Calling 30	Monthly	\$5.65	ESF	4.28
Speed Calling 8	Monthly	\$4.70	ESL	3.33
Three Way Calling	Monthly	\$4.70	ESC	3.80
Verification and Interruption of Busy	Monthly	\$0.86		.86
Verification of Busy	Monthly	\$0.40		.40
NuVox Communications Voice Mail	Monthly	\$6.89	MPMXX	4.28 MBBRX
NuVox Communications Voice Mail, Setup	one-time	\$14.25		
Additional Listing	Monthly	\$1.14	CLT	1.14 RLT
Additional 800 Listing	Monthly	\$1.14	SZS	
Inside Wire Maintenance	Monthly Non-reg.		SEQ1X	Non- Reg.
Non-Published listing	Monthly	\$0.00	NPU	1.66
Non-Listed Listing	Monthly	\$0.00	NLT	.76
<b>Multi-feature Discounts available with non-packaged Features</b>				
# of Features, 2	Monthly	(\$0.75)	MFD2X	(.50)
# of Features, 3	Monthly	(\$2.25)	MFD3X	(1.50)
# of Features, 4	Monthly	(\$4.50)	MFD4X	(3.00)
# of Features, 5	Monthly	(\$6.75)	MFD5X	(4.50)
# of Features, 6	Monthly	(\$9.00)	MFD6X	(6.00)
# of Features, 7	Monthly	(\$11.25)	MFD7X	(7.50)
# of Features, 8	Monthly	(\$13.50)	MFD8X	(9.00)
# of Features, 9	Monthly	(\$15.75)	MFD9X	(\$10.50)
# of Features, 10	Monthly	(\$18.00)	MFD1A	(\$12.00)

ISSUED: September 21, 2001

EFFECTIVE: September 22, 2001

ISSUED BY: Hamilton Russell, III  
 NuVox Communications. Inc.  
 301 N. Main Street, Suite 500  
 Greenville, South Carolina 29601  
 Telephone: (864)271-6335

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 OF SOUTH CAROLINA

SEP 22 2001

*Harry E. Walker*  
 EXECUTIVE DIRECTOR

## SECTION 4 - RATES, CONT.

Anonymous Call Rejection (ACR)	Monthly	\$3.56	BY	2.85
Busy Redial, Per Activation	Per Use	\$0.00	N/A	n/a
Call Block	Monthly	\$4.28	NSY	3.99
Call Forwarding Busy Line	Monthly	\$2.80	GCE	.95
Call Forwarding Busy Line - Customer Control	Monthly	\$5.94	GJP	2.85
Call Forwarding Busy Line - Multipath	Monthly	\$3.33	CFSBX	1.90
Call Forwarding Don't Answer	Monthly	\$2.80	GCJ	.95
Call Forwarding Don't Answer - Ring Control	Monthly	\$2.80	GCFRC	2.85
Call Forwarding Don't Answer - Multipath	Monthly	\$2.85	CFSDX	1.90
Call Forwarding Don't Answer - Customer Control	Monthly	\$5.94	GCJ	.95
Call Forwarding Variable	Monthly	\$4.70	ESM	3.80
Call Forwarding Variable - Multipath or Remote Access	Monthly	\$2.85	CFSVX	2.85
Call Return, Per Activation	Per Use	\$0.71	N/A	0.00
Call Return, per line	Monthly	\$4.70	NSS	3.80
Call Tracing	Monthly	\$4.70	NST	3.99
Call Waiting Deluxe with Don't answer	Monthly		ESXDL	5.70
Call Waiting Deluxe with Conferencing	Monthly		ESXDC	5.70
Call Waiting	Monthly	\$4.70	ESX	4.18
Caller ID Basic	Monthly	\$8.50	NSD	6.65
Caller ID Deluxe w/o ACR	Monthly	\$9.50	NXMMN	7.13
Caller ID Deluxe w/ ACR	Monthly	\$9.45	NXMCR	7.13
Calling # Delivery Blocking - Permanent	Monthly	\$0.00	NOB	0.00
Calling # Delivery Blocking - Permanent (Non-published / non-listed)	Monthly	\$0.00	NOBNP	0.00
Customized Code Restriction Option 1	Monthly	\$4.28	CREX1	2.85
Customized Code Restriction Option 2	Monthly	\$4.28	CREX2	2.85
Customized Code Restriction Option 3	Monthly	\$4.28	CREX3	2.85
Customized Code Restriction Option 4	Monthly	\$0.00	CREX4	0.00
Customized Code Restriction Option 5	Monthly	\$0.00	CREX5	0.00
Customized Code Restriction Option 6	Monthly	\$0.00	CREX6	0.00
Enhanced Caller ID with ACR	Monthly	\$15.15	NXECR	na
Enhanced Caller ID with Call Management, ACR, and call forwarding Don't Answer	Monthly	\$16.10	NCACR	na

ISSUED: September 21, 2001

EFFECTIVE: September 22, 2001

ISSUED BY: Hamilton Russell, III  
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 OF SOUTH CAROLINA

SEP 22 2001

*Lang E. Walker*  
 EXECUTIVE DIRECTOR

# EXHIBIT

## JAR-2



A Newsletter for Businesses on the Go.

### It's All About the Bundle

Winter may be the perfect time to bundle your clothes, but that's not the only thing. Now is a perfect time to consider bundling your communications services. In the past couple of years, most businesses have indicated that they would prefer to receive their services bundled. In 2000, two studies by *The Strategis Group* revealed that 66 percent of businesses want bundles with at least two services. With this in mind, many communications providers are launching bundled packages to suit most businesses' needs, no matter what their size.

Two main factors stand out as reasons businesses want to bundle their service:

- **Convenience** - Hands down, convenience is the number one reason businesses are looking for a bundled package of services. Bundles eliminate tracking of separate bills and also provide a single point of contact. In summer 2002 a study by *Horowitz Associates Inc.*, a communications market research firm in Larchmont, N.Y., found that half of consumers would be willing to buy bundled phone services even if the plans wouldn't save them any money. The bottom line is that bill-payers are looking for, and finding, new ways to consolidate.
- **Discounts** - Yes, it's true. In most cases, businesses are able to save anywhere from 10 to 50 percent over services ala carte. With more and more companies utilizing more communications services, this can make a significant difference.

A third reason that often gets overlooked is efficiency. While efficiency may not always come to top of mind, utilizing existing telecommunication lines more efficiently can be cost effective in both the short term and long term. For example, if you have more than 12 phone lines, leasing a T-1 line can be a economical way to scale up to 24 digital lines, combined for both voice and Internet services. Efficiency can also be a large factor for growing companies that need scalability.

Typical bundles for businesses include a combination of local phone service, long distance, and Internet access. More complex bundled packages can often include various speeds of Internet access, web hosting, phone cards, and other enhanced data and voice features. Most communication providers have several bundled choices that fit a business' size

future growth. As the demand for convenience at the lowest cost grows, bundles will continue to be tweaked and developed as they evolve. Already, they can make a big difference for your business.

### **Suite T**

NewSouth's latest bundle is a sweet deal for businesses. Featuring flat-pricing and almost any combination of voice and data services, this one is almost too sweet to pass up. For more on Suite T and all it has to offer, [click here](#).



### **Enhanced Voice Services**

Expand your communications capabilities today with NewSouth's latest enhanced voice services. These include Multi-way Calling, Individualized Dialing Plans, Queuing, and Customer Recovery. [Click here](#) to learn all about these additional services.

### **In the News**

**NewSouth Communications to Sell Systems Business to Greenville-based Company**  
January 27, 2003

**NewSouth Communications Now Offering Enhanced Voice Services to Customers Across the South**  
January 20, 2003

**NewSouth Communications Launches Suite T as Latest Bundled Product**  
January 6, 2003

### **In Touch**

NewSouth Communications wants to hear from you. Please let us know how we can serve you. To contact us, [click here](#) or visit our website at [www.newsouth.com](http://www.newsouth.com).

[Click here](#) to unsubscribe to this newsletter.

**NewChoice. NewTechnology. NewValue.**

# EXHIBIT

## JAR-3



**Your best friend at home.**



**Birch**  
telecom

### Where is service available?

Enter area code, plus first 3 digits of number, with NO pun

#### About Birch

#### Business site

**To order:**  
(866) 347-3843  
8 a.m. to 6.30 p.m. CST

**Need help?**  
Please try our FAQs  
section first.

**Make payment**  
Now you can pay your  
bill online.

>> Tell a friend about us  
>> Get updates by email

About Birch: Buddy's trip from the streets to stardom

## Products & Pricing

### ► Congratulations! Service is available in your neighborhood.

Please read through the information below or check out the chart at the bottom of this page to learn about our local packages.

When you'd like to place an order or if you have additional questions that can't be answered online (see our FAQs or Support sections), give us a call at:

**(866) 347-3843.**

### Fees and taxes

Please note that we charge the same industry standard local and state fees and taxes. These costs are in addition to the regular rates listed below.

### ► Local phone service bundles

- **Home Connection<sup>SM</sup>**
  - Anonymous Call Rejection, Caller ID, Call Waiting & Call Waiting ID Options
  - Plus, two additional feature(s)
  - **Price: \$28.50 monthly**
- **Home Connection Plus<sup>SM</sup>**
  - Anonymous Call Rejection, Caller ID, Call Waiting & Call Waiting ID Options
  - One additional feature
  - Plus, 30 minutes of long-distance
  - **Price: \$30.00 monthly**
- **Home Connection Premium<sup>SM</sup>**
  - Anonymous Call Rejection, Caller ID, Call Waiting & Call Waiting ID Options
  - One additional feature
  - Plus, 90 minutes of long-distance
  - **Price: \$33.50 monthly**

### ► Other options

- **Extended local calling plan**
  - **Sprawler Plus**  
Hate paying ridiculous long-distance rates on calls to



places just a few miles down the road?

- **Price: \$12.50** monthly

- **Additional features**

- **Price**

- Most features: approximately **\$2.00** each per month
- Call Forward Busy Line/No Answer: only **\$1.00** per month

Plans	Home Connection	Home Connection Plus	Home Connection Premium
<b>Local Line</b>	X	X	X
<b>Anonymous Call Rejection, Caller ID, Call Waiting, Call Waiting ID Options</b> <i>(Call Waiting is optional at time of sign up)</i>	X	X	X
<b>Additional Features</b>	pick 2	pick1	pick1
Auto Redial/Call Return/3-Way Calling		NA NA  NA NA NA	
Call Blocker			
Call Forward <i>(Remote Access optional)</i>			
Call Forward Busy Line/No Answer			
Call Forward Selective			
Distinctive Ring			
Distinctive Ring Additional			
Priority Call			
Speed Call 8			
<b>Long-Distance</b> <i>(included in plan)</i>	0	30 minutes	90 minutes
Per-minute charge for additional minutes	9.5¢	8¢	7¢

Products & Pricing | About Birch | Business site | Support | Home | Contact the Webmas  
**To order:** Please call us at (866) 347-3843 between 8 a.m. and 7 p.m. CST.  
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# EXHIBIT

## JAR-4

LOCAL EXCHANGE SERVICE

SECTION 6 – APPENDIX B – GRAPEVINE SERVICES AND RATES (continued)

6.6 State of Grape Local Service

Customers who subscribe to this service must select Grapevine as both their Local Exchange Carrier and Interexchange Carrier (for interstate, intrastate and intraLATA toll calls). This service is not available for subscription as a stand-alone service; concurrent with enrollment in this plan, customers must also subscribe to Grapevine's companion residential Long Distance Service. State of Grape Local Service is designed for use by residential customers with basic residential lines only and is limited to three (3) lines at a single service address.

A monthly recurring charge as set forth below will apply for subscription to both State of Grape Local and Long Distance Service. Unlimited local exchange voice service and touch tone calling are included in the monthly recurring fee.

	<u>Actual</u>	<u>Maximum</u>
Primary Line	\$39.99	\$100.00
First Additional Line	\$24.99	\$62.50
Second Additional Line	\$24.99	\$62.50

The following features, where facilities are available, are also provided at no additional charge:

Call Waiting	International Call Blocking
Call Waiting ID	Collect Call Blocking
Caller ID	Third Party Blocking
3-Way Calling	Third Party Collect Call Blocking
Anonymous Call Rejection	Toll Call Blocking
Blocking for Caller ID	900/976 Blocking

The following are not included in the monthly recurring charge: non-recurring charges, operator services, operator assistance, directory assistance, directory listing options, interstate line charge, taxes, surcharges, data usage charges, per use charges and custom calling features and/or blocking options not included above.

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OF SOUTH CAROLINA

FEB 03 2003

*Nanette S. Edwards*  
EXECUTIVE DIRECTOR

ISSUE DATE: December 12, 2002

EFFECTIVE DATE: December 12, 2002

Nanette S. Edwards, Senior Manager-Regulatory Attorney

ITC^DeltaCom

4092 South Memorial Parkway

Huntsville, Alabama 35802

(N)

(N)

LOCAL EXCHANGE SERVICE

SECTION 6 – APPENDIX B – GRAPEVINE SERVICES AND RATES (continued)

6.6 State of Grape Local Service (continued)

The customer may order additional optional custom calling features, where facilities are available. A list of these features and associated per-line monthly recurring charges are set forth below.

	<u>Actual</u>	<u>Maximum</u>
Voice Mail & Stutter Tone with		
Call Forward Busy & Call Forward Don't Answer	\$5.95	\$15.00
Call Forward Variable	\$4.00	\$10.00
Call Return *	\$4.00	\$10.00
Repeat Dial *	\$4.00	\$10.00

- \* Customers who do not subscribe to optional features on a monthly basis will incur a non-recurring charge of \$1.00 per use, per feature, each time a feature is activated.

State of Grape Local Service customers will be charged intraLATA and intrastate long distance rates specified in the companion residential Long Distance Service as set forth in Appendix B of ITC^DeltaCom Communications, Inc.'s South Carolina Tariff No. 2.

Installation charges for lines and/or custom calling features (both included and optional) will be waived at time of initial service activation. If additional lines or features are added at any time after initial service activation, the customer will incur a change or installation charge based on existing tariff rates.

Upon disconnection or termination of the companion residential Long Distance Service offering, State of Grape Local Service and corresponding rates received by the customer under this tariff will terminate as well.

The Company reserves the right to disconnect customer's residential service or to adjust such service to include a monthly recurring data usage charge of \$50.00 (\$125.00 maximum), upon appropriate customer notification, if it is determined that usage is not consistent with normal residential voice applications.

State of Grape Local Service and/or optional features may not be available in all areas. Customers can contact a Grapevine customer service representative at 1-866-259-1000 to find out whether this service is available in their area.

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Nanette S. Edwards, Senior Manager-Regulatory Attorney

ITC^DeltaCom

4092 South Memorial Parkway  
Huntsville, Alabama 35802

LOCAL EXCHANGE SERVICE

SECTION 6 – APPENDIX B – GRAPEVINE SERVICES AND RATES (continued)

6.7 **GrapeNation Local Service**

Customers who subscribe to this service must select Grapevine as both their Local Exchange Carrier and Interexchange Carrier (for interstate, intrastate and intraLATA toll calls). This service is not available for subscription as a stand-alone service; concurrent with enrollment in this plan, customers must also subscribe to Grapevine's companion residential Long Distance Service. GrapeNation Local Service is designed for use by residential customers with basic residential lines only and is limited to three (3) lines at a single service address.

A monthly recurring charge as set forth below will apply for subscription to both GrapeNation Local and Long Distance Service. Unlimited local exchange voice service and touch tone calling are included in the monthly recurring fee.

	<u>Actual</u>	<u>Maximum</u>
Primary Line	<b>\$64.99</b>	\$162.50
First Additional Line	\$24.99	\$ 62.50
Second Additional Line	\$24.99	\$ 62.50

The following features, where facilities are available, are also provided at no additional charge:

Call Waiting	International Call Blocking
Call Waiting ID	Collect Call Blocking
Caller ID	Third Party Blocking
3-Way Calling	Third Party Collect Call Blocking
Anonymous Call Rejection	Toll Call Blocking
Blocking for Caller ID	Voice Mail with Call Forward Busy
900/976 Blocking	& Call Forward Don't Answer *

- \* Voice Mail is provided at no additional charge on Customer's Primary Line. Customers subscribing to Voice Mail on Additional Lines will incur a monthly recurring charge of \$5.95 (\$15.00 maximum) per line for each additional line.

The following are not included in the monthly recurring charge: non-recurring charges, operator services, operator assistance, directory assistance, directory listing options, interstate line charge, taxes, surcharges, data usage charges, per use charges and custom calling features and/or blocking options not included above.

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Nanette S. Edwards, Senior Manager-Regulatory Attorney

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*Nanette S. Edwards*  
EXECUTIVE DIRECTOR

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(N)

LOCAL EXCHANGE SERVICE

SECTION 6 – APPENDIX B – GRAPEVINE SERVICES AND RATES (continued)

6.7 GrapeNation Local Service (continued)

The customer may order additional optional custom calling features, where facilities are available. A list of these features and associated per-line monthly recurring charges are set forth below.

	<u>Actual</u>	<u>Maximum</u>
Call Forward Variable	\$4.00	\$10.00
Call Return *	\$4.00	\$10.00
Repeat Dial *	\$4.00	\$10.00

- \* Customers who do not subscribe to optional features on a monthly basis will incur a non-recurring charge of \$1.00 per use, per feature, each time a feature is activated.

GrapeNation Local Service customers will be charged intraLATA and intrastate long distance rates specified in the companion residential Long Distance Service as set forth in Appendix B of ITC^DeltaCom Communications, Inc.'s South Carolina Tariff No. 2.

Installation charges for lines and/or custom calling features (both included and optional) will be waived at time of initial service activation. If additional lines or features are added at any time after initial service activation, the customer will incur a change or installation charge based on existing tariff rates.

Upon disconnection or termination of the companion residential Long Distance Service offering, GrapeNation Local Service and corresponding rates received by the customer under this tariff will terminate as well.

The Company reserves the right to disconnect customer's residential service or to adjust such service to include a monthly recurring data usage charge of \$50.00 (\$125.00 maximum), upon appropriate customer notification, if it is determined that usage is not consistent with normal residential voice applications.

GrapeNation Local Service and/or optional features may not be available in all areas. Customers can contact a Grapevine customer service representative at 1-866-259-1000 to find out whether this service is available in their area.

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*Nanette S. Edwards*  
EXECUTIVE DIRECTOR

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LOCAL EXCHANGE SERVICE

MAR 26 2003

SECTION 6 – APPENDIX B – GRAPEVINE SERVICES AND RATES (continued)

**6.8 Grapevine Affinity Program**

*Dan E. Walsh*  
EXECUTIVE DIRECTOR

The Grapevine Affinity Program is a benefit package which allows individual **residential subscribers** who are members or employees of participating trade associations, professional organizations, or business entities (affinity groups) to take advantage of discounts as specified below. Affinity groups and/or entities must agree to a one year term to qualify for participation in this program.

Affinity members who subscribe to Grapevine Services will receive discounts, up to a maximum of 10%, off base monthly recurring charges. Charges for additional services, directory assistance, operator assistance, per use and per minute usage charges, taxes, and surcharges will not apply to the discount. End user discounts will appear on individual subscriber's monthly invoice in the form of a credit.

Customers receiving benefits under the Associations Program are not eligible for benefits under the Grapevine Affinity Program.

**6.9. Grapevine Associations Program**

The Associations Program is available to new and/or existing residential customers who are members of a recognized professional or trade association or Non-profit organization. Eligible customers will receive a 3% discount off local, long distance, and, if applicable, internet services, excluding taxes, non-recurring charges, operator assistance, directory assistance, regulatory line charges, and/or surcharges. Certification of membership is required and will be verified periodically. Misrepresentation of membership could result in removal of discounts. Customers receiving benefits under the Grapevine Affinity Program are not eligible for benefits under the Associations Program.

**6.10 Grapevine Referral Program**

Any existing Grapevine customer who refers a potential customer to Grapevine will receive a one-time credit should the referred customer subscribe to and remain a Grapevine customer for at least 30 days. The referred customer must provide the name of the existing Grapevine customer who made the referral upon ordering the new Grapevine service. A one-time credit of \$25.00 will be applied to the existing customers next scheduled bill and expires with that bill. The credit does not apply separately for interstate or intrastate service(s), and cannot be redeemed for cash.

ISSUE DATE: March 26, 2003

EFFECTIVE DATE: March 26, 2003

Nanette S. Edwards, Senior Manager-Regulatory Attorney

ITC^DeltaCom

4092 South Memorial Parkway  
Huntsville, Alabama 35802

# EXHIBIT

## JAR-5



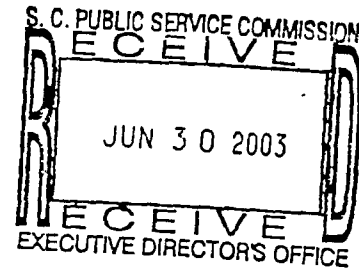


6830 Walling Lane  
Dallas, Texas 76231

June 27, 2003

Via Federal Express

Mr. Gary Walsh  
Executive Director  
South Carolina Public Service Commission  
101 Executive Drive  
Columbia, South Carolina 29210



RE: Local Tariff Revision for E-Z Tel, Inc.  
Proposed Effective Date: July 30, 2003

Dear Mr. Walsh,

Transmitted for filing is an original and four (4) copies of revised local tariff pages for E-Z Tel, Inc. This filing introduces Residential and Commercial Service Packages, Affinity Packages, additional Optional Calling Features and Miscellaneous Services and incorporates text changes. The Company respectfully requests this revision to become effective on July 30, 2003.

1 <sup>st</sup> Revised Page 2	Updates Check Sheet
1 <sup>st</sup> Revised Page 19	Revised Resold Local Service description and indicates text relocated to page 19.6
Original Page 19.1	Introduces Bundled Service Packages
Original Page 19.2	Introduces Toll Service included in Service Packages
Original Page 19.3	Introduces Affinity Commercial Packages
Original Page 19.4	Introduces Affinity Residential Packages
Original Page 19.5	Introduces Affinity Residential Packages (Cont.)
Original Page 19.6	Introduces additional Optional Calling Features and indicates text relocated from Page 19
Original Page 19.7	Introduces additional Optional Calling Features and indicates text relocated from Page 22
Original Page 19.8	Introduces additional Optional Calling Features and indicates text relocated from Page 22
Original Page 19.9	Introduces additional Optional Calling Features and indicates text relocated from Page 22

June 27, 2003  
 Mr. Gary Walsh  
 Executive Secretary  
 South Carolina Public Service Commission  
 Page 2

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Original Page 21.1	Introduces Directory Assistance
1 <sup>st</sup> Revised Page 22	Introduces and Revises Bundled and Unbundled Non-Recurring Service Rates – Current Rates
Original Page 22.1	Introduces and Revises Bundled and Unbundled Recurring Service Rates; Introduces Affinity Commercial Service Rates – Current Rates
Original Page 22.2	Introduces Affinity Residential Unbundled Service Rates – Current Rates
Original Page 22.3	Introduces Affinity Residential Bundled Service Rates – Current Rates
1 <sup>st</sup> Revised Page 23	Introduces additional Optional Calling Feature Rates; indicates text relocated to Page 24; Incorporates text for Directory Listings – Current Rates
Original Page 24	Introduces Miscellaneous Service Rates and Directory Assistance Rates; indicates text relocated from Page 23 – Current Rates
Original Page 25	Introduces Minimum and Maximum Rates for Residential and Commercial Local Service
Original Page 26	Introduces Minimum and Maximum Rates for Affinity Commercial
Original Page 27	Introduces Minimum and Maximum Rates for Affinity Residential Unbundled Service
Original Page 28	Introduces Minimum and Maximum Rates for Affinity Residential Bundled Service
Original Page 29	Introduces Minimum and Maximum Rates for Affinity Residential Bundled Service - Continued

Please date-stamp the Receipt copy of this filing and return it to the undersigned in the enclosed pre-paid Fed-Ex Envelope. Please refer all questions and correspondence regarding this filing to me.

Respectfully submitted,



Sheri Pringle  
 Director – Regulatory Affairs  
 Comm South Companies, Inc.  
 214.355.7005  
[springle@commsouth.net](mailto:springle@commsouth.net)

Enclosure

## FINAL TARIFF

CHECK SHEET

Pages 1 through 29 inclusive of this tariff are effective as of the date shown at the bottom of the respective pages. Original and revised pages, as named below, comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this page.

<u>Page</u>	<u>Revision</u>		<u>Page</u>	<u>Revision</u>	
1	Original		25	Original	*
2	1 <sup>st</sup> Revised	*	26	Original	*
3	Original		27	Original	*
4	Original		28	Original	*
5	Original		29	Original	*
6	Original				
7	Original				
8	Original				
9	Original				
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11	Original				
12	Original				
13	Original				
14	Original				
15	Original				
16	Original				
17	Original				
18	Original				
19	1 <sup>st</sup> Revised	*			
19.1	Original	*			
19.2	Original	*			
19.3	Original	*			
19.4	Original	*			
19.5	Original	*			
19.6	Original	*			
19.7	Original	*			
19.8	Original	*			
19.9	Original	*			
20	Original				
21	Original				
21.1	Original	*			
22	1 <sup>st</sup> Revised	*			
22.1	Original	*			
22.2	Original	*			
22.3	Original	*			
23	1 <sup>st</sup> Revised	*			
24	Original	*			

*\*Indicates pages included with this filing.*

Issued: June 30, 2003

Effective: July 30, 2003

By: Sheri Pringle, Director – Regulatory Affairs

E-Z Tel, Inc.  
6830 Walling Lane  
Dallas, Texas 75231

## FINAL TARIFF

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**SECTION 3 – DESCRIPTION OF SERVICES**

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**3.1 Resold Local Exchange Service**

**3.1.1** Resold local exchange service is provided by the Company through resale of local exchange access and local exchange service provided by an Underlying Carrier. The Company's Services consist of (i) Prepaid Service (ii) Optional Service Features, (iii) Directory Listing Service, and (iv) 911 Service.

**3.1.2** Prepaid Service is a prepaid, switched, intrastate, telecommunications service which permits Customers to establish communications between two locations within the State of South Carolina. Prepaid Service is available only within a local calling area.

**3.1.2.1** General:

Prepaid Service provides a Customer with a single, voice-grade communications channel, including a telephone number and Directory Listing. The Company's Prepaid Service permits a Customer to: (i) place calls within the Local Calling Area; (ii) access 911 Service if available in the Customer's Local Calling Area; (iii) place calls to toll-free "800" or "888" telephone numbers. Service will be charged on a monthly basis, and upon payment, a Customer will have unlimited use of the aforementioned service for that month. For an additional charge, Customers may also purchase optional feature packages or individual optional features as listed in Section 3.1.3 of this tariff.

Unless otherwise specified in the description of the Bundled Service Package in this tariff, the Company's Prepaid Service does not permit a Customer to originate calls to direct dial (1+) or (0+) toll services or to caller-paid information services (e.g., "900", "976", "711"). Calls to telephone numbers used for toll services and caller-paid information services will be blocked by the Company.

**3.1.2.2** Standard Features. Each Prepaid Service Customer is provided with only local exchange service.

*Material previously found on this page now relocated to page 19.6*

## FINAL TARIFF

SECTION 3 – DESCRIPTION OF SERVICES (Continued)**3.1 Resold Local Exchange Service (Continued)****3.1.2.3 Bundled Service Packages****A. General**

The Customer may select one of the following Bundled Service Packages, where facilities and services permit. Basic Service is available in all areas served by the Company; Premium and Commercial Services are only available where the Company is able to economically obtained Unbundled Network Elements with Switching Platform. Basic Unbundled Service (with the exception of Commercial Service) is available at all locations. All calling features are purchased separately from Basic Unbundled Service.

**B. Description of Packages**

Bundle Service Package	Local Calling	Features Included	Intrastate Toll Usage
Basic Service	Unlimited Local Calling	None	None
Value Service	Unlimited Local Calling	Call Waiting, 3 Way Calling, Call Return, Call Forwarding	None
Premium Service	Unlimited Local Calling	Call Waiting, Caller ID, Call Forward, 3-Way Calling, Call Return, Speed Dial, Call Rejection, Call Block, Call Selector, Auto Redial	None
Commercial Service	Unlimited Local Calling	Hunting, Speed Dial, 3 Way Calling, Caller ID, Call Forwarding, White Page Business Listing	None
Additional Commercial Line	Unlimited Local Calling	Choice of all features selected on Main Line	None

## FINAL TARIFF

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SECTION 3 – DESCRIPTION OF SERVICES (Continued)**3.1 Resold Local Exchange Service (Continued)****3.1.2.3 Bundled Service Packages (Continued)****C. Toll Service**

When toll usage is included in the calling package, calls are measured and decremented in one minute increments. The minimum call duration is one minute. Available call minutes may be used for interLATA or intraLATA calling. Calls are established by dialing a Company-provided toll-free access number from the telephone line associated with the Company's local service.

**(1) Unlimited Long Distance**

Packages that include Unlimited Long Distance: This service is for use by Residential Customers for the purpose of point-to-point two-way residential voice applications. If the Customer uses Unlimited Service for non-residential purposes, including but not limited to commercial facsimile, resale, telemarketing, dial-up internet connections, autodialing, three-way calling or voice chat line services, or home office use, the Company may, without notice, suspend, restrict, or cancel the Customer's Long Distance Service or may adjust Customer's service to another plan or disconnect pursuant to the rules promulgated by the SCPSC for shutoff of residential services.

## FINAL TARIFF

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SECTION 3 – DESCRIPTION OF SERVICES (Continued)**3.1 Resold Local Exchange Service (Continued)****3.1.2.4 Affinity Packages**

Affinity Packages are offered to affinity groups for their associated members, organizations, agencies or similar entities. The affinity group must have a pre-existing arrangement with the Company.

**1. Affinity Commercial Package**

Affinity Commercial Package is a prepaid, switched, intrastate, telecommunications service that permits the business Customer to establish communications between two locations within the Customer's local calling area. Affinity Commercial Package is available as a bundled or unbundled package.

A nonrecurring Service Processing Fee applies per line. When the Service Processing Fee is \$90.00 or more, the Customer has the option to one third of this charge upon installation of service, one third on the first invoice and one third on second invoice. For an additional line, the Customer has the option to pay the first half of this charge with the initial payment and the remainder is deferred to the Customer's first bill.

A Conversion Fee applies when the Customer is converting existing service from the Incumbent Local Exchange Carrier to the Company.

**a. Affinity Commercial Bundled**

The Affinity Commercial Bundled Package includes Basic Service, Hunting, Speed Dial, 3 Way, Caller ID, Call Forwarding, White Page Business Listing. Each Additional Line includes Basic Service and choice of all features offered on Main Line. Acceptance of an order for service is subject to availability of network elements supplied by the Incumbent Local Exchange Carrier.

## FINAL TARIFF

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SECTION 3 – DESCRIPTION OF SERVICES (Continued)**3.1 Resold Local Exchange Service (Continued)****3.1.2.4 Affinity Packages (Continued)****2. Affinity Residential Packages**

Affinity Residential Package is a prepaid, switched, intrastate, telecommunications service that permits the residential Customer to establish communications between two locations within the Customer's local calling area. Affinity Residential Package is available as a bundled or unbundled package. A nonrecurring Service Processing Fee applies per line.

**a. Affinity Residential - Unbundled**

Affinity Residential Basic Unbundled services does not include any features or Member-to-Member long distance service.

**b. Affinity Residential - Complete TSR**

Affinity Residential - Complete TSR Package is an unbundled service which includes Call Waiting/Caller ID and choice of one other available feature and Member to Member Long Distance.

**c. Affinity Residential Basic - Bundled**

Affinity Residential Basic - Bundled Package is a bundled service which includes Call Forwarding, Call Return, Call Blocker, Speed Dial, Anonymous Call Rejection and Auto Dial where available. Additional line service is available at the same price as the initial line.



## FINAL TARIFF

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SECTION 3 – DESCRIPTION OF SERVICES (Continued)**3.1 Resold Local Exchange Service (Continued)****3.1.2.4 Affinity Packages (Continued)****2. Affinity Residential Packages (Continued)****d. Affinity Residential Complete - Bundled**

Affinity Residential Complete is a bundled service package which includes Call Forwarding, Call Waiting Call Return, Call Blocker, Speed Dial, Anonymous Call Rejection, 3-Way Calling, Auto Redial (where available) Call Waiting/Caller ID and Unlimited Member-to-Member Long Distance.

**e. Affinity Residential Premium – Bundled**

Affinity Residential Premium is a bundled service package which includes Call Forwarding, Call Waiting, Call Return, Call Blocker, Speed Dial, Anonymous Call Rejection, 3-Way Calling, Auto Redial (where available) Call Waiting/Caller ID and Unlimited Long Distance<sup>1</sup>.

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<sup>1</sup> Unlimited Long Distance is subject to terms and conditions as noted in Section 3.1.2.2.C.(1) of this Tariff.

## FINAL TARIFF

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**SECTION 3 – DESCRIPTION OF SERVICES (Continued)**

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**3.1 Resold Local Exchange Service (Continued)****3.1.3 Optional Features**

Prepaid Service Customers may select from the following optional features: Auto Redial, Auto Call Back, Auto Recall, Call Block, Call Forwarding, Call Forwarding Busy/No Answer, Call Rejection, Call Return, Call Selector, Call Waiting, Caller ID, Call Waiting/Caller ID, Non-Published Phone Number, Speed Dial, Three Way Calling, Customer Initiated Trace and Hunting.

**3.1.3.1 Auto Redial**

Allows the Customer to automatically redial the last number the Customer attempted to call.

**3.1.3.2 Auto Call Back**

Auto Call Back allows the Customer to place a call to a number to a number that is busy. A confirmation announcement is heard, the customer hangs up and a queuing process begins. For a period of time both the calling and called lines are checked periodically for availability to complete the call. When the called line becomes idle, the customer is notified, via a distinctive ring, that the network is ready to place the call. When the Customer picks up the telephone the call will automatically be placed.

**3.1.3.3 Auto Recall**

Auto Recall, when activated, automatically redials the last number the customer attempted to call. If the called line is not busy, the call will be placed.

**3.1.3.4 Call Block**

Enables the customer to block calls from pre-selected telephone numbers and/or the last incoming call (without knowing the number). To block specified telephone numbers, the Customer builds a screening list. To block an unknown number after receiving the call, the Customer enters a code to add the number to their screening list. If facilities are unavailable to provide incoming call screening via the Customer's list, standard call completion will occur. Customers whose telephone numbers are blocked are directed to a recorded announcement.

*Some material found on this page relocated from page 19.*

## FINAL TARIFF

SECTION 3 – DESCRIPTION OF SERVICES (Continued)**3.1 Resold Local Exchange Service (Continued)****3.1.3 Optional Features (Continued)****3.1.3.5 Call Forwarding**

Allows calls to automatically ring to another phone number.

**3.1.3.6 Call Forwarding / No Answer**

Allows incoming calls that encounter a busy condition or which are not answered after a predetermined number of rings to be automatically forwarded to a pre-designated telephone number within the exchange or on the long distance telecommunications network.

**3.1.3.7 Call Rejection**

Allows the Customer to automatically reject all incoming calls that have been marked anonymous by the calling party who has activated a Caller ID Blocking feature.

**3.1.3.8 Call Return**

The subscriber may return the last call to the Customer's telephone number by dialing a one or two-digit code.

**3.1.3.9 Call Selector**

Provides a distinctive ringing pattern to the subscribing Customer for up to six specific telephone numbers.

**3.1.3.10 Call Waiting**

Allows the Customer to be notified of an incoming call while the Customer is having a conversation with another party.

*Material found on this page relocated from page 22.*

## FINAL TARIFF

SECTION 3 – DESCRIPTION OF SERVICES (Continued)**3.1 Resold Local Exchange Service (Continued)****3.1.3 Optional Features (Continued)****3.1.3.11 Caller ID**

Caller ID is an optional feature that allows the subscriber to see the telephone number of an incoming call displayed on the customer provided display unit. The telephone number of an incoming call will display between the first and second rings. Caller ID service works only on calls that originate and terminate in central offices which are equipped and have SS7 connectivity. Caller ID is available to customers by monthly subscription only, which provides unlimited use of this service. The Caller ID box is not included in the rate for the monthly service fee.

The telephone numbers that will be displayed on a Caller ID subscriber's display unit include listed, non-listed and non-published telephone numbers.

Telephone numbers that will not be displayed to the Caller ID subscriber are: (1) calls from customers who use Per-Call Blocking or Per-Line Blocking; (2) calls from customers located in central offices not a part of the SS7 Signaling System; (3) calls placed through an operator. When these type of calls are received by a Caller ID subscriber, their display unit will notify them that the calling telephone number is unavailable.

**3.1.3.12 Call Waiting / Caller ID**

Call Waiting / Caller ID allows for the display of the name and/or number of an incoming telephone call on the Customer's Customer Premise Equipment ("CPE") when the Customer is already speaking on the telephone. This service allows the Customer to decide to answer the new incoming call. Call Waiting ID is offered subject to the following limitations:

- A. The Customer must also subscribe to Call Waiting and Caller ID Name and Number;
- B. The Customer is responsible for furnishing his or her own CPE which must include the Caller ID capability necessary to display the calling party's name and/or number.

*Material found on this page relocated from page 22.*

## FINAL TARIFF

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**SECTION 3 – DESCRIPTION OF SERVICES (Continued)**

---

**3.1 Resold Local Exchange Service (Continued)****3.1.3 Optional Features (Continued)****3.1.3.13 Non-Published Phone Number**

Allows the Customer to keep his local phone number out of the phone book or directory assistance.

**3.1.3.14 Speed Dial**

The Subscriber may call pre-selected, pre-programmed telephone numbers by dialing a one or two-digit code.

**3.1.3.15 Three Way Calling**

Allows the Customer to add a third party to a conversation.

**3.1.3.16 Customer Initiated Trace**

This service allows the tracing of nuisance calls. The tracing is activated upon entering the specified dial code. The originating telephone number, outgoing trunk number or terminating number, and the time and date are generated for every call.

**3.1.3.17 Hunting**

Permits a complete hunt over all the lines in a prearranged group. If no idle line is encountered, the hunt will continue until it reaches the line that was originally called.

*Some material found on this page relocated from page 22.*

## FINAL TARIFF

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SECTION 3 – DESCRIPTION OF SERVICES (Continued)**3.3 Directory Assistance**

Directory Assistance Provides for identification of telephone directory numbers, via an operator or automated platform. Customers are provided with a maximum of two (2) listings per call to Directory Assistance.

Where facilities and equipment permit and upon the Customer's request, calls to Directory Assistance can be completed for an additional charge.

When a Customer notifies the Company that the Customer has reached a wrong number, been accidentally disconnected, or experienced a call with poor transmission quality, the Customer will be given appropriate credit for that call.

**3.3.1 Directory Assistance Call Completion**

Directory Assistance Call Completion is a service provided by the Company whereby the Company operator completes the call to the desired number. A per call charge applies for the use of Directory Call Completion. This per call charge is in addition to the charge for Directory Assistance and any applicable long distance usage charges.

## FINAL TARIFF

SECTION 4 – RATES AND CHARGESCurrent Rates

## 4.1 Local Exchange Services

## 4.1.1 Prepaid Local Exchange Service Rates and Charges

A Prepaid Local Exchange Service Customer will be charged applicable Nonrecurring Charges and monthly Recurring Charges as specified below, based on the Bundled Service Package selected by the customer. When optional features are added after initial installation of service, nonrecurring charges and applicable monthly charge(s) will apply as specified in Section 4.2 and 4.4.

A. Nonrecurring Charges

An Installation Charge applies to each line installed. Half of the Installation Charge is payable in advance with the first month of service. The remaining half of the Installation Charge is payable at the time the second month's recurring charges are due. A Carrier Conversion charge also applies to each account when the customer previously had local service with the underlying incumbent local exchange carrier. The Carrier Conversion Charge is payable in advance with the first month of service.

1. Residential Service

	<u>Nonrecurring Charge</u>	
	<u>Bundled Service</u> <u>Package</u>	<u>Unbundled</u> <u>Package</u>
Installation Charge, Per Line (Basic)	\$25.00 (N)	\$35.00 (R)
Installation Charge, Per Line (Value)	\$35.00 (N)	N/A
Installation Charge, Per Line (Premium)	\$35.00 (N)	N/A
Carrier Conversion, Per Account	\$ 5.00 (N)	\$20.00

2. Commercial Service

	<u>Nonrecurring Charge</u>	
	<u>Bundled Service</u> <u>Package</u>	<u>Unbundled</u> <u>Basic Service</u>
Installation Charge, Per Line	\$30.00 (N)	N/A
Carrier Conversion, Per Account	\$ 5.00 (N)	N/A

## FINAL TARIFF

SECTION 4 – RATES AND CHARGES (Continued)Current Rates

## 4.1 Local Exchange Services (Continued)

## 4.1.1 Prepaid Local Exchange Service Rates and Charges (Continued)

B. Recurring Charges1. Residential Service

	<u>Monthly Recurring Charge</u>	
	<u>Bundled Service</u> <u>Package</u>	<u>Unbundled</u> <u>Package</u>
Basic Service	\$37.99 (N)	\$39.99 (R)
Value Service	\$37.99 (N)	N/A
Premium Service	\$39.99 (N)	N/A

2. Commercial Service

	<u>Monthly Recurring Charges</u>	
	<u>Bundled Service</u> <u>Package</u>	<u>Unbundled</u> <u>Basic Service</u>
Commercial Service	\$44.95 (N)	N/A
Each additional Line	\$39.95 (N)	N/A

C. Affinity Packages1. Affinity Commercial Packagea. Affinity Commercial Bundled

	<u>Monthly</u> <u>Recurring Charge</u>	<u>Nonrecurring</u> <u>Charge</u>
Each Initial Line	\$44.95 (N)	\$30.00 (N)
Each Additional Line	\$39.95 (N)	\$30.00 (N)
Per Line Conversion Fee	N/A	\$ 5.00 (N)



## FINAL TARIFF

SECTION 4 – RATES AND CHARGES (Continued)Current Rates

## 4.1 Local Exchange Services (Continued)

## 4.1.1 Prepaid Local Exchange Service Rates and Charges (Continued)

C. Affinity Packages (cont'd)2. Affinity Residential Unbundled Servicea. Basic Service

	Monthly <u>Recurring Charge</u>	Nonrecurring <u>Charge</u>
Each Initial Line	\$49.95	\$39.00
Each Additional Line	\$49.95	\$39.00
Per Line Conversion Fee	N/A	\$25.00

b. Complete Service

	Monthly <u>Recurring Charge</u>	Nonrecurring <u>Charge</u>
Each Initial Line	\$59.95	\$39.00
Each Additional Line	\$59.95	\$39.00
Per Line Conversion Fee	N/A	\$25.00

## FINAL TARIFF

SECTION 4 – RATES AND CHARGES (Continued)Current Rates

## 4.1 Local Exchange Services (Continued)

## 4.1.1 Prepaid Local Exchange Service Rates and Charges (Continued)

C. Affinity Packages (cont'd)2. Affinity Residential Bundled Servicea. Basic Service

	<u>Monthly Recurring Charge</u>	<u>Nonrecurring Charge</u>
Zone 1 & 2		
Each Initial Line	\$29.95	\$39.00
Each Additional Line	\$29.95	\$39.00
Per Line Conversion Fee	N/A	\$12.00

b. Complete Service

	<u>Monthly Recurring Charge</u>	<u>Nonrecurring Charge</u>
All Zones		
Each Initial Line	\$39.95	\$39.00
Each Additional Line	\$39.95	\$39.00
Per Line Conversion Fee	N/A	\$12.00

c. Premium Service

	<u>Monthly Recurring Charge</u>	<u>Nonrecurring Charge</u>
All Zones		
Each Initial Line	\$49.95	\$39.00
Each Additional Line	\$49.95	\$39.00
Per Line Conversion Fee	N/A	\$12.00

## FINAL TARIFF

SECTION 4 – RATES AND CHARGES (Continued)Current Rates**4.2 Optional Features Rates**

	Monthly	One-Time Activation Fee	Per Use Fee
Automatic Redial	\$ 5.00	N/A	N/A
Call Block	\$ 5.00	N/A	N/A
Call Forwarding	\$ 5.00	N/A	N/A
Call Forwarding Busy / No Answer <sup>4</sup>	\$ 5.00	N/A	N/A
Call Rejection	\$ 5.00	N/A	N/A
Call Return	\$ 5.00	N/A	N/A
Call Selector	\$ 5.00	N/A	N/A
Call Waiting	\$ 5.00	N/A	N/A
Caller ID	\$10.00	\$10.00	N/A
Call Waiting / Caller ID	\$10.00	N/A	N/A
Non-Published Phone Number	\$ 5.00	N/A	N/A
Speed Dial	\$ 5.00	N/A	N/A
Three-Way Calling	\$ 5.00	N/A	\$0.90
Auto Call Back	N/A	N/A	\$0.90
Auto Recall	N/A	N/A	\$0.90
Call Trace	N/A	N/A	N/A
Hunting	\$ 5.00	N/A	N/A

*Some material previously found on this page relocated to page 24.*

**4.3 Directory Listings Rates and Charges****4.3.1 Non-Recurring Charges**

Primary Listing (one number): N/C

**4.3.2 Recurring Charges**

Primary Listing (one number): N/C

## FINAL TARIFF

SECTION 4 – RATES AND CHARGES (Continued)Current Rates**4.4 Miscellaneous Rates and Charges**

	<u>Nonrecurring Charge</u>
4.4.1 Service Reconnection Fee:	\$20.00
4.4.2 Optional Feature Addition Charge:	\$15.00
4.4.3 Transfer Fee:	\$50.00
4.4.4 IntraLATA Call Collect	\$ 2.25
4.4.5 Voice Mail Service	<u>Monthly Recurring Charge</u>
With Unbundled Local Service	\$6.95
With Bundled Local Service	\$4.95

**4.5. Directory Assistance Services**

	<u>Nonrecurring Charge</u>
Local Directory Assistance, Per Call Charge	\$0.90
National Directory Assistance, Per Call Charge	\$1.10
4.5.1 Directory Assistance Call Complete, Per Call Charge	\$0.75*

*\*Per Call Charge in Addition to Directory Assistance Charge.*

**4.6 Other Charges**

Carrier will concur in the maximum rates filed by the incumbent local exchange carrier for all other services not addressed herein.

*\*Some material found on this page relocated from page 23.*

## FINAL TARIFF

SECTION 4 - RATES AND CHARGES (Continued)Minimum and Maximum RatesRESIDENTIAL AND COMMERCIAL PREPAID LOCAL EXCHANGE SERVICE RATES AND CHARGESRecurring Charges

	<u>Minimum</u>	<u>Maximum</u>
Residential Monthly Service Charge	\$30.00	\$47.00
Commercial Monthly Service Charge	\$35.00	\$57.00

Non-Recurring Charges

	<u>Minimum</u>	<u>Maximum</u>
One-time Activation (Residential)	\$25.00	\$46.00
One-Time Activation (Commercial)	\$30.00	\$50.00

## FINAL TARIFF

SECTION 4 – RATES AND CHARGES (Continued)Minimum and Maximum Rates (Cont'd)AFFINITY PACKAGESAffinity Commercial PackageA. Affinity Commercial Bundled

1.	<u>Monthly Recurring Charge</u>	<u>Monthly Recurring Charge</u>	
		<u>Minimum</u>	<u>Maximum</u>
	Each Initial Line	\$22.00	\$90.00
	Each Additional Line	\$20.00	\$80.00
2.	<u>Nonrecurring Charge</u>	<u>Nonrecurring Charge</u>	
		<u>Minimum</u>	<u>Maximum</u>
	Each Initial Line	\$10.00	\$40.00
	Each Additional Line	\$10.00	\$40.00
	Per Line Conversion Fee	\$2.50	\$10.00

## FINAL TARIFF

SECTION 4 – RATES AND CHARGES (Continued)Minimum and Maximum Rates (Cont'd)AFFINITY PACKAGES (Cont'd)Affinity Residential PackagesA. Affinity Residential Unbundled Service1. Basic Service

<u>Monthly Recurring Charge</u>	<u>Monthly Recurring Charge</u>	
	<u>Minimum</u>	<u>Maximum</u>
Each Initial Line	\$20.00	\$80.00
Each Additional Line	\$20.00	\$80.00

<u>Nonrecurring Charge</u>	<u>Nonrecurring Charge</u>	
	<u>Minimum</u>	<u>Maximum</u>
Each Initial Line	\$11.00	\$84.00
Each Additional Line	\$11.00	\$84.00
Per Line Conversion Fee	\$12.00	\$50.00

2. Complete Service

<u>Monthly Recurring Charge</u>	<u>Monthly Recurring Charge</u>	
	<u>Minimum</u>	<u>Maximum</u>
Each Initial Line	\$25.00	\$100.00
Each Additional Line	\$25.00	\$100.00

<u>Nonrecurring Charge</u>	<u>Nonrecurring Charge</u>	
	<u>Minimum</u>	<u>Maximum</u>
Each Initial Line	\$21.00	\$84.00
Each Additional Line	\$21.00	\$84.00
Per Line Conversion Fee	\$11.00	\$50.00

## FINAL TARIFF

SECTION 4 – RATES AND CHARGES (Continued)Minimum and Maximum Rates (Cont'd)AFFINITY PACKAGES (Cont'd)Affinity Residential PackagesA. Affinity Residential Bundled Service1. Basic ServiceMonthly Recurring Charge

Each Initial Line  
Each Additional Line

<u>Monthly Recurring Charge</u>	
<u>Minimum</u>	<u>Maximum</u>
\$20.00	\$80.00
\$20.00	\$80.00

Nonrecurring Charge

Each Initial Line  
Each Additional Line

<u>Nonrecurring Charge</u>	
<u>Minimum</u>	<u>Maximum</u>
\$11.00	\$84.00
\$11.00	\$84.00

Per Line Conversion Fee

\$12.00	\$50.00
---------	---------

2. Complete ServiceMonthly Recurring Charge

Each Initial Line  
Each Additional Line

<u>Monthly Recurring Charge</u>	
<u>Minimum</u>	<u>Maximum</u>
\$25.00	\$100.00
\$25.00	\$100.00

Nonrecurring Charge

Each Initial Line  
Each Additional Line

<u>Nonrecurring Charge</u>	
<u>Minimum</u>	<u>Maximum</u>
\$21.00	\$84.00
\$21.00	\$84.00

Per Line Conversion Fee

\$12.00	\$50.00
---------	---------



## FINAL TARIFF

SECTION 4 – RATES AND CHARGES (Continued)Minimum and Maximum Rates (Cont'd)AFFINITY PACKAGES (Cont'd)Affinity Residential Package (Cont'd)A. Affinity Residential Bundled Service (Cont'd)3. Premium ServiceMonthly Recurring ChargeMonthly Recurring ChargeMinimumMaximum

Each Initial Line

\$35.00

\$100.00

Each Additional Line

\$35.00

\$100.00

Nonrecurring ChargeNonrecurring ChargeMinimumMaximum

Each Initial Line

\$31.00

\$84.00

Each Additional Line

\$31.00

\$84.00

Per Line Conversion Fee

\$12.00

\$50.00

(N)

(N)

## **E-Z TEL, INC. FILES TARIFF REVISIONS**

E-Z Tel, Inc., in its South Carolina Tariff No. 1, is introducing Bundled Service Packages, Residential and Business Affinity Packages, additional **Optional Calling Features** and making textual changes.

A copy of the proposal is on file in the Offices of the Public Service Commission of South Carolina, Synergy Business Park, 101 Executive Center Dr., Columbia, South Carolina, and is available through Ms. Sheri Pringle, Director-Regulatory Affairs, E-Z Tel, Inc., 6830 Walling Lane, Dallas, TX, 76231.

Any person who wishes to testify and present evidence at the hearing, if one is scheduled, should notify Gary E. Walsh, Executive Director, at the address below and Ms. Sheri Pringle at the previously stated address in writing, on or before July 15, 2003, and indicate the amount of time required for his presentation. Please refer to Tariff No. 2003-265.

Any person who wishes to present his views to the Public Service Commission may do so in writing, on or before July 15, 2003. Please refer to Tariff No. 2003-265.

Any person who wishes to participate in this matter, as a Party of Record should file a Petition to Intervene in accordance with the Commission's Procedures, on or before July 15, 2003. Please refer to Tariff No. 2003-265.

Persons seeking information about the Commission's Procedures should contact the Commission by dialing (803) 896-5105.

GARY E. WALSH  
Executive Director  
Public Service Commission of South Carolina  
P. O. Drawer 11649  
Columbia, South Carolina 29211

7/1/03

# EXHIBIT

## JAR-6

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zip code





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## Savings, Simplicity and Service!

### Connect with Knology...

Knology connects you to the world. And most importantly, to the ones you love, through our combination of Telephone, Cable TV and Internet Services. All with the convenience and savings of working with one great company.

### Let us design a bundle for you today!

- ▶ Knology Digital Telephone Service
- ▶ Knology Digital Cable TV & Music
- ▶ Knology High-Speed Internet

#### Special Offers For Charleston

Basic/Expanded Basic at \$25/month for 3 months  
Standard Install rates will apply.

Get Intro Talk Line for \$9.95 per month for 6 months!

Bundle your Knology cable or internet service with our great telephone offer of \$9.95 per month for 6 months. Use our Seven Sense plan for your long distance calls, too.

Local phone service with FREE long distance for \$49.95 per month!

Local phone service with FREE long distance (1250 minutes of use) for just \$49.95 per month. This plan includes Deluxe Caller ID, Call waiting display and voicemail. Keep your current phone number and call anywhere in the continental USA, in-state or out-of-state when combined with Knology cable. Free installation. Long distance

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calls are free up to 1250 minutes of use per month and \$.05 per minute for every minute over 1250. Taxes and surcharges are additional. Subject to terms and conditions. Some restrictions may apply.

\$12 a month for 12 months for Knology telephone service  
Take advantage of Knology's \$12 for 12 telephone offer. Knology bundled customers can take advantage of this offer.



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## Knology Digital Telephone

Our service offerings include:

- ▣ Single-line and multi-line residential telephone services
- ▣ Custom Calling Features
- ▣ Advanced Calling Features
- ▣ Directory Services
- ▣ Voice Mail

**More Value, More Savings**

For just a few dollars more a month, you can enjoy the custom calling services of call forwarding, call waiting, three-way calling, speed calling and Caller ID.

- ▣ Sign-Up Online!



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## Knology Digital Telephone

### Custom Calling Features

Custom Calling Features describe those features that are controlled by you. You turn these features on or off at your convenience, usually by dialing a special code.

- ▣ Anonymous Call Rejection
- ▣ Automatic Callback
- ▣ Automatic Recall
- ▣ Call Block
- ▣ Call Forwarding
- ▣ Distinctive Ringing
- ▣ Selective Call Acceptance
- ▣ Selective Call Forwarding
- ▣ Selective Call Rejection
- ▣ Speed Calling
- ▣ Three-Way Calling

#### ▣ Anonymous Call Rejection

How do I u

Lets you refuse calls from any caller who has blocked delivery of their telephone number.

Never have to take a call from an unknown or private number.

#### ▣ Automatic Callback

How do I u

Automatically redials the last number you attempted to call. If the called line is busy, the feature will continue to check the line for 30 minutes.

Saves you time by not having to redial the whole number over again. Also, if the line is busy, allows you to do other things while waiting for the person you are calling to get off the phone.

#### ▣ Automatic Recall

How do I u

Redials the last number that called you.

Never have to run to the phone again. This feature allows you to return the missed call.

---

**Call Block**

How do I u

Allows you, on a per use basis, to prevent your telephone name and number appearing on the Caller ID box of the called party.

Let's you maintain your privacy by not allowing your name and/or number displayed to the called party.

---

**Call Forwarding**

How do I u

Allows you to control when and where calls are forwarded.

Don't want to miss your calls, but need to leave your house or business? Forwarding route all your calls from your regular line to another number, such as your cellular number.

---

**Distinctive Ringing**

How do I u

Allows you to assign a distinctive ring and call-waiting tone to incoming calls to designated telephone numbers.

Know who is calling by the sound of the ringing tone. Don't have to rush over to see the Caller ID.

---

**Selective Call Acceptance**

How do I u

Allows only calls from certain telephone numbers to ring the phone.

Allows you to accept only calls from certain numbers and notify all other calls that you are not accepting calls at that time. Great for when you do not want to be disturbed by the phone except for calls from certain people.

---

**Selective Call Forwarding**

How do I u

Allows numbers that you designate to be forwarded to another phone number.

Waiting for a specific phone call? You can designate exactly which calls you want to receive on your cellular phone, or any other designated line while you are at home or the office.

---

**Selective Call Rejection**

How do I u

Allows you to keep certain preprogrammed telephone numbers from reaching you.

Prevents unwanted calls from reaching you by rejecting calls from a predetermined list of telephone numbers.

---

**Speed Calling**

How do I u

Simplifies dialing for frequently called local or long distance calls.

Saves time and the possibility of misdialing your most frequently dialed numbers. Allows up to 9 speed dial numbers.

---

**Three-Way Calling**

How do I u

Allows you to bring a third party into the conversation.

---

You can have two other people on the line at the same time, either local or distance. This allows friends and family the ability to get together when face meetings are difficult.

---



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## Knology Digital Telephone

### Advanced Calling Features

Advanced Calling Features describes those features that are more complex (require more programming or switch capacity). These features allow even greater manipulation of your calls.

- ▣ Intelli-Ring
- ▣ Call Waiting
- ▣ Caller ID
- ▣ Caller ID Deluxe
- ▣ Call Forward Busy
- ▣ Call Forward Don't Answer
- ▣ Remote Access to Call Forwarding
- ▣ Call Waiting Display

#### ▣ Intelli-Ring

Allows two different telephone numbers to ring on the same line with distinctive ringing tones.

Great for a home-based business or family with teens. Based on the number you will know who the call is for and how to answer the call.

#### ▣ Call Waiting with Cancel Call Waiting

If you are on the phone, a distinctive beep signals you that another call is in progress. Allows you to place the first call on hold to answer the second call. The cancel call waiting feature allows you to deactivate the call waiting signal on a per use basis. When Call Waiting is canceled, the second caller will hear a busy signal, or go to Voice Mail (if you subscribe to Voicemail).

This feature gives you the ability to receive two calls on one line without paying for a second phone line. If you know you are going to be on an important call and do not wish to be interrupted, you can dial \*73 and any additional callers will either hear a busy signal, or, if you subscribe to voicemail, go to your voice mail box.

#### ▣ Caller ID (number only)

Displays the calling party's number. The number will be displayed regardless of the directory status of the number (non-listed or non-published) unless the caller has placed the call using Call Blocking.

Allows you to see what telephone number the call is originating from. You can decide to answer the call if the number is recognizable or not. Reduces answering unwanted or unsolicited phone calls.

\* Depending on factors that are not controlled by Knology, all names and numbers

may not appear.

---

▣ **Caller ID Deluxe (name and number)**

Displays the calling party's name and number. The name and number will be displayed regardless of the directory status of the calling party (non-listed or unpublished) unless the calling party has placed the call using Call Blocking.

Calling parties are no longer a mystery. With name and number, allows the caller to verify who is calling before answering the call, even if the number is unfamiliar.

\* Depending on factors that are not controlled by Knology, all names and numbers may not appear.

---

▣ **Call Forward Busy**

When your phone line is busy, allows the caller to be transferred to a pre-determined number such as a mobile phone or pager.

This feature allows greater control over your incoming calls so that you can manage your business.

---

▣ **Call Forward Don't Answer**

When you are unable to answer the phone, allows the caller to be transferred to a pre-determined number such as a mobile phone or pager.

This feature allows greater control over your incoming calls so that you can manage your business.

---

▣ **Remote Access to Call Forwarding**

Provides access to the Call Forwarding feature when you are not at your office. Enables greater management of your call forwarding feature so that you can determine when and where your calls are forwarded, even if you are away from the office.

---

▣ **Call Waiting Display**

Allows a customer with Caller ID to see the number and or name information of the call waiting party.

This feature allows the person with Caller ID to know who is interrupting the current call. They can see the number and/or name information and then determine if they would like to answer the incoming call.

---



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## Long Distance Services

Knology Long-Distance Phone Service. Make your money go farther.

Knology offers affordable direct-dial long distance rates to anywhere in the continental United States and, unlike other phone companies, great rates for long distance within your state, as well. Knology also offers simple, flat-rate, direct-dial international calling, as well.

We offer a choice of residential calling plans, so that you can select the one that's best for you. And you may request to receive a convenient calling card for making long distance calls when you're away from home.

- Knology's Seven Sense Plan
- Knology's 15/10 Plan
- Calling Cards
- International

### ■ Knology's Seven Sense Plan

Monthly Fee	\$4.95 per month, per account (not per line)	
Usage Threshold	None	
Rate per minute	\$0.07	

These rates are for interstate and intrastate direct dial long distance service within the continental United States.

### ■ Knology's 15/10 Plan

Monthly Fee	None	
Usage Threshold	Up to \$35.00	Over \$35.00
Rate per minute	\$0.15	\$0.10

These rates are for interstate and intrastate direct dial long distance service within the continental United States.

### ■ Calling Cards

Knology's domestic Calling Card rate is one low flat rate of \$0.27 per minute with no surcharges, unless calling from a payphone. The payphone surcharge for calls originating from a payphone, is \$0.30 per call.

---

**■ International**

Knology offers a simple, flat rate direct dial international calling. Each country rate per minute with no additional fees, surcharges, or minimums per call. For a specific country, please contact your local Knology office.

---

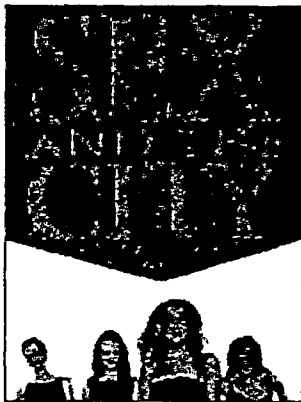
A black rectangular logo with a white border. The text "SERVICES 4 BUSINESS" is written in white, bold, sans-serif capital letters. The number "4" is stylized with a small graphic element.

**SERVICES 4  
BUSINESS**



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Knology services are priced to save you more money the more you bundle. That's the convenience and savings that come with bundling your telecommunications needs with Knology.

**Telephone Discount**

When you combine Knology's Digital Telephone service with one or more other Knology services, you are eligible for a 5% discount on your local phone line(s) and your Smart Choice feature package!

**Internet Discount**

The more Knology services you bundle, the more you save on Knology's High-speed Internet Access. Bundle Knology's Cable TV one other service and you save \$10 a month, bundle two and you save between \$15 to \$20 a month!

**Cable TV Package Discounts**

When you combine Knology's Digital Telephone service and/or Knology's High Internet service, you are eligible for Cable TV Package discounts in addition to Telephone and Internet discounts reflected above!



# EXHIBIT

## JAR-7

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Columbia West, SC  
SE33

# Shop Wise

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mailing  
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Attention  
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Residential  
Customers:  
You Can Save  
Big By Joining  
MomentumFamily

## MomentumFAMILY 60

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month\*

- FREE** Unlimited Local Calling
- FREE** 60 Minutes Long Distance
- FREE** 10 Popular Calling Features

## MomentumFAMILY Unlimited

as low as  
**\$42.95**  
month\*

- FREE** Unlimited Local Calling
- FREE** Unlimited Long Distance
- FREE** 10 Popular Calling Features



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- No Cost To Switch • No Installation Necessary • No Interruption In Service
- One Monthly Bill For Everything • Keep Your Current Numbers And Features
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## A Southeast-Based Company




\*Free calling features exclude voicemail, available for \$5.95. Residential voice services only. Savings vary based on plan selected and zone. Prices exclude taxes and regulatory charges such as Universal Service Fund, state line charges and relay charges. Standard taxes and surcharges average \$10 to \$13 per line, per month. Momentum is not affiliated with any other telephone service provider.



# MOMENTUM Family<sup>SM</sup>


Momentum Family Customer Wins First \$10,000 of \$150,000 Giveaway




Home	My Account	Contact Us
Features & Options	Join Now	Tell Friends

## \$42.95 a month


### Our Most Popular Plan



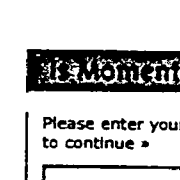
#### Local Telephone Service with No Great Features



#### Unlimited Local and Long Distance Calling




#### Switching is Simple



#### Is Momentum Family Available in my Area?

Please enter your telephone number and click "Check Availability" to continue »



MomentumFamily,  
Its local telephone  
service that can save  
you a bundle.

Did someone say free phone service?  
[Click here for more info.](#)

\$150,000 Sweepstakes!  
[Click here for more info.](#)

The New \$10,000 Winner!  
[Click here for more info.](#)

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## Local Telephone Service with 10 Great Features

One phone line, plus

- Caller ID Deluxe
- Call Block
- Call Waiting ID
- Call Return
- 3-Way Calling
- 30 Code Speed Dial
- Repeat Dialing
- 900/976 Restriction
- Call Forward
- Anonymous Call Rejection



**Unlimited Local and Long Distance Calling**

Call Anyone, Anywhere in the continental US, Anytime, as often as you'd like at no additional charge




### Switching Is Simple

Through our electronic process, the switch will be invisible to you.

- Keep your same number
- Remain on the same equipment you are using
- No installation or technicians are involved
- No service interruptions
- Easy as changing your long distance provider
- No surprises

Momentum Family Customer Wins First \$10,000 of \$150,000 Giveaway



My Account    Contact Us

Home    Features & Options    Join Now    Tele-Friend

Features & Options



Did someone say  
free phone service?  
Click here for more info.

\$150,000 Sweepstakes!  
Click here for more info.

The New \$10,000 Winner!  
Click here for more info.

## Great Telephone Service Loaded with Features

We've taken all of the most popular features and decided to GIVE them to you

Features*	Monthly Charges
Call Waiting Deluxe	FREE
Caller ID Deluxe	FREE
3-Way Calling with Transfer	FREE
Repeat Dialing	FREE
Call Forwarding	FREE
Call Block	FREE
Call Return	FREE
900/976 Restriction	FREE
Anonymous Call Rejection	FREE
30 Code Speed Dial	FREE

### Special Options

#### Voicemail Package \$5.95

- The voicemail package includes everything you need! Callers are sent to voicemail whether you are away from home or on the phone! If you wonder if you have a message, you may listen to the dial tone and if it stutters you have a message! We also include visual message indicator if available and Star98 to retrieve messages quickly and easily!

#### Inside Wire Maintenance \$3.95

- For a nominal monthly fee, Momentum's Inside Wire Maintenance plan will insure you from the cost of fixing or troubleshooting your inside telephone wiring and/or jacks.

#### Expanded Local Area Calling \$8.95

- With Momentum's Expanded Area Calling, you can talk to friends and family in the expanded calling area at any time, for as long as you want, for one flat monthly rate.
- Where can I call without Expanded Local Calling Area?
- Where can I call for free with Expanded Local Area Calling?

#### International Calling Plan \$3.95

- If you make international calls, this package is a must! Save up to 75% off standard international rates. (International calls for customers who do not select the package are automatically priced at the standard rate.)
- How much will this save me on International Calls?



**Dialup Internet \$19.95**

- With over 2500 pops (point of presence) across america, we provide you with internet access anywhere in the country. And with our website, you are able to check your mail from anywhere in the world!

**Calling Card No Activation Fee!**

- Add the convenience of a travel card when you join the MomentumFamily, great rates, no activation fee, no monthly charges. At only \$1.00 per call, plus 15 cents per minute anywhere in the U.S., you can't beat it. There's no monthly fee so if you don't use it, it'll cost you nothing!

**Additional Lines (without features) \$19.95**

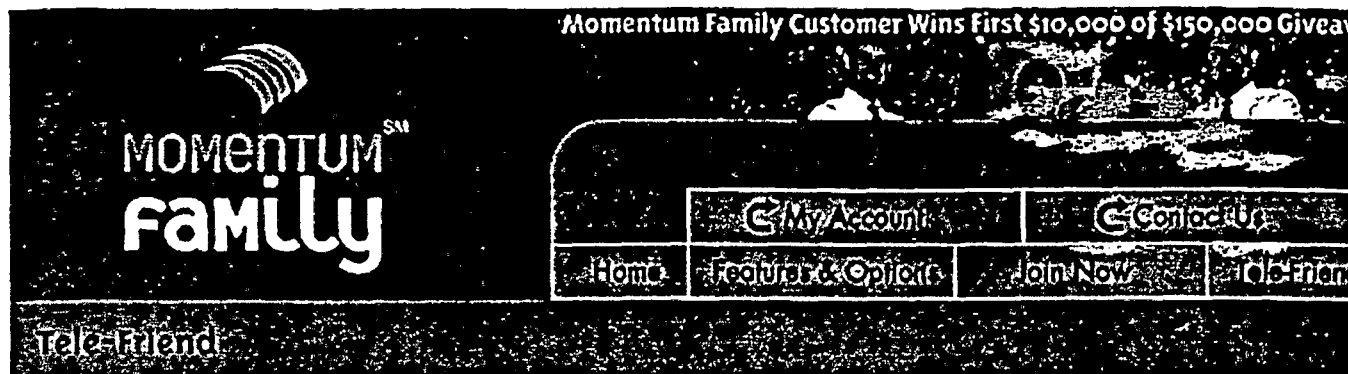
- Convert an additional telephone line for one flat monthly fee. It provides unlimited local calling and can be used for voice, fax or dialup internet.

*\* Note: These features are subject to availability in your central office.*

**Imagine, one low monthly fee for EVERYTHING.**

**Learn how you can get Free Phone Service. It's easy. [Click here to start.](#)**

[»Privacy Policy](#) [»Terms of Service](#) [»Interstate Tariff](#) [»Momentum's North](#)



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\$150,000 Sweepstakes!  
[Click here for more info.](#)

The New \$10,000 Winner!  
[Click here for more info.](#)

## The \$150,000 Tele-Friend and Win Sweepstakes

### Start your own MomentumFamily.

Refer a friend and once they choose a MomentumFamily plan, they become a member of your M limited time only telling your friends about the money you're saving with your MomentumFamily \$10,000 through our \$150,000 sweepstakes! [See official rules below for details.](#)

### Between February and June 2003, We'll be having fifteen \$10,000 drawings.

Every time you add a new MomentumFamily member you get a chance in the drawing. Refer 10 chances. At the end of February, we'll pick one winner. If it's you, you win \$10,000. At the end of winners and award two \$10,000 prizes. The number of prizes increase by one each month through five winners and award five \$10,000 prizes.

### Didn't win last month?

You could win next month; you're still eligible with your current MomentumFamily members. Of more members to your MomentumFamily you have more chances to win!

If one of your MomentumFamily members wins the \$10,000, you'll automatically win \$1,000, just person in you MomentumFamily! If one of their MomentumFamily members wins the \$10,000, but MomentumFamily member win \$1,000 each.

### And how do I get Free Phone Service?

Once you get 20 members in your MomentumFamily, we'll give you the MomentumFamily plan y Every month! This could save you over \$500 a year in addition to the savings you're enjoying ju MomentumFamily customer!

### Referring a friend is easy.

They can join by visiting our web site, [www.momentumfamily.com](http://www.momentumfamily.com), Call our toll-free number, 87 the reply card on one of our brochures and mail it in. Ask them to use your telephone number, a code" and they automatically become a member of your MomentumFamily.

### How do I know who is in my MomentumFamily?

A list of your MomentumFamily is included on your monthly bill or you can log in at any time to t has joined your MomentumFamily

For official sweepstakes rules [click here.](#)

For more information on Free Phone Service, [click here.](#)

**Imagine, one low monthly fee for EVERYTHING.**

Learn how you can get Free Phone Service. It's easy. [Click here to start.](#)

# EXHIBIT

## JAR-8

# Home Phone Service

## Unlimited Long Distance To Anyone!

As low as **\$29.95**

**MyLine<sup>SM</sup> Basic** From \$29.95  
**Home Phone Service**

• **Friends-R-FREE<sup>SM</sup>**

Unlimited Long Distance\* to other MyLine<sup>SM</sup> customers!!

- Local Calling - within your basic calling service area
- Three Calling Features - call waiting, call return, and three way calling.
- Long Distance - FREE when calling other MyLine<sup>SM</sup> customers and only 6.9¢ per minute for all other in-state and state-to-state calls!

**No Deposit!**

**No Switching Fee!**

**Keep Your Same Number!**

**MyLine<sup>SM</sup> Complete**  
**Home Phone Service**

From \$49.95

• **Unlimited Long Distance To anyone!!!**

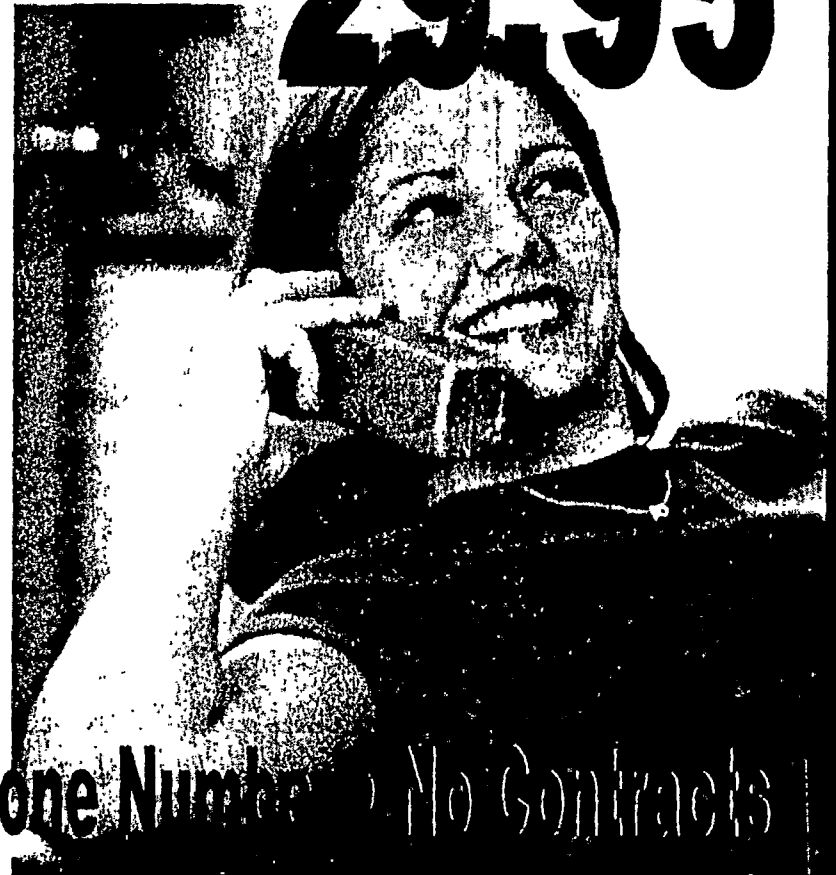
- Local Calling - within your basic calling service area.
- Ten Calling Features - Caller ID\*\*, Call Waiting, Call Return, Three Way Calling, Call Blocking, Call Forwarding, Distinctive Ring, Auto Redial, Speed Dial, Anonymous Call Rejection.

**New Phone Service!**

## No Switching Fee • Keep Your Same Phone Number • No Contracts

## Call Now! 1-877-392-3548

Call Monday - Saturday 8 am to 9 pm CST  
Sunday 12 pm to 9 pm CST



**Be Sure to Give the**  
**Global ID# 274-451-6114**

Business Opportunity Available • Independent Living  
Make 6 to 7 figure income • Call 449-0837 • Ask for Don

# EXHIBIT

## JAR-9


[About Us](#) | [Products](#) | [Service Center](#)
[Opportunities](#) | [VarTec International](#)
[search](#)


## Long Distance for 5¢ a minute

- Low 50¢ minimum per completed call
- State-to-state and in-state calls
- Low \$2.95 monthly fee
- Available 24 hours a day, 7 days a week
- No need to change your existing carrier

[more info](#)

### Long Distance

- Residential
- Business

[Rate Information](#)

### Local Services

- Residential



### Service Center

- Pay Your Bill
- Ask VarTec
- Contact Us

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[Local Services](#)
[Other Products](#)

## Residential Products



### Additional Features

[Anonymous Call Rejection](#)
[Call Forwarding - Busy Line](#)
[Call Forwarding - Do Not Answer](#)
[Call Forwarding - Variable](#)
[Call Waiting](#)
[Caller ID - Basic](#)
[Calling Number Blocking - Permanent](#)
[Preferred Call Forwarding](#)
[VarTec Standard Voice Mail - Residential](#)
[Bookmark](#)
[Email To Friends](#)

## ONE Local and Long Distance Service

**OneChoice® gives you MO**  
**with a variety of packages:**  
**Sign Up Now!**  
**Just Call**  
**1-800-779-223**

Choose the one that fits your needs!

	Friends-R-Free	Friends-R-Free \$0.05	Friends-R-Free \$0.07	OneChoice Elite
<b>Included Features</b>	<b>\$29.95</b>	<b>\$33.9</b>	<b>\$33.9</b>	<b>\$49.9!</b>
• Call Waiting Deluxe	✓	✓	✓	✓
• Caller ID-Deluxe	✓	✓	✓	✓
• 300 Minutes of Domestic Long Distance				✓
• Call Block				✓
• Call Return				✓
• Repeat Dialing				✓
• Speed Calling 8				✓
• Three-Way Calling				✓

### Your Choice of Long Distance Plan

**7¢ / minute**

After the included minutes all U.S. long distance calls are just 7¢ a minute — 24 hours a day, 7 days a week

OR

**5¢ / minute**

After the included minutes all U.S. long distance calls are just 5¢ a minute with a low 50¢ minimum per completed call — 24 hours a day, 7 days a week

- The Caller ID and Call Waiting Deluxe services are subject to service availability and do not include equipment.
- Any unused minutes will be forfeited at the end of each month.

**Note:** Limited time offer. The Unlimited and Friends-R-Free promotion's unlimited calling is for residential voice service only and is not intended for commercial or data use exceeding typical levels. Friends-R-Free and Unlimited originating and terminating telephone numbers must be VarTec Telecom Friends-R-Free promotion simultaneously to receive the benefits of the Friends-R-Free promotion.

**Notice: OneChoice package rate does not include emergency service surcharges, end user line governmental taxes and fees, including the Universal Service Fund and similar state funds. Other taxes and fees may apply. This promotion is not available to all households and is subject to credit service availability. Promotion package is per household line and is not available for business lines. For details of service and the various service options, see VarTec Telecom Terms and Conditions file with the applicable utility commission of the customer's state of residence. International call rates for Directory Assistance or optional services are not included and separate rates apply.**

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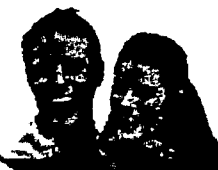
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[search](#)

Long Distance  
Local Services  
Other Products

## Residential Products



### Additional Features

Anonymous Call Rejection  
Call Forwarding - Busy Line  
Call Forwarding - Do Not Answer  
Call Forwarding - Variable  
Call Waiting  
Caller ID - Basic  
Calling Number Blocking - Permanent  
Preferred Call Forwarding  
VarTec Standard Voice Mail - Residential

[Bookmark](#)

[Email To Friends](#)

## ONE Local and Long Distance Service

**OneChoice® gives you MO**  
with a variety of packages :  
**Sign Up Now!**  
**Just Call**  
**1-800-779-223**

Choose the one that fits  
your needs!

	Friends- R-Free \$0.05	Friends- R-Free \$0.07	OneChoice Elite \$49.95	OneCho Elite \$.1
<b>Included Features</b>	<b>\$33.9</b>	<b>\$33.9</b>	<b>\$49.95</b>	<b>\$53.9</b>
• Call Waiting Deluxe	✓	✓	✓	✓
• Caller ID-Deluxe	✓	✓	✓	✓
• 300 Minutes of Domestic Long Distance			✓	✓
• Call Block			✓	✓
• Call Return			✓	✓
• Repeat Dialing			✓	✓
• Speed Calling 8			✓	✓
• Three-Way Calling			✓	✓

### Your Choice of Long Distance Plan

**7¢ / minute**  
After the included minutes all  
U.S. long distance calls are just  
7¢ a minute — 24 hours a day, 7  
days a week

OR

**5¢ / minute**  
After the included minutes all  
U.S. long distance calls are jus  
5¢ a minute with a low 50¢  
minimum per completed call —  
24 hours a day, 7 days a week


- The Caller ID and Call Waiting Deluxe services are subject to service availability and do not include equipment.
- Any unused minutes will be forfeited at the end of each month.

**Note:** Limited time offer. The Unlimited and Friends-R-Free promotion's unlimited calling is for residential voice service only and is not intended for commercial or data use exceeding typical levels. Friends-R-Free and Unlimited originating and terminating telephone numbers must be VarTec Telecom Friends-R-Free promotion simultaneously to receive the benefits of the Friends-R-Free promotion.

**Notice: OneChoice package rate does not include emergency service surcharges, end user line, governmental taxes and fees, including the Universal Service Fund and similar state funds. Other taxes and fees may apply. This promotion is not available to all households and is subject to credit service availability. Promotion package is per household line and is not available for business lines. Details of service and the various service options; see VarTec Telecom Terms and Conditions. This promotion is filed with the applicable utility commission of the customer's state of residence. International call rates for Directory Assistance or optional services are not included and separate rates apply.**

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## Business Products



Local  
Distance  
Service  
for as low  
**\$29**  
a month

[Click](#)[Need more?](#)

### Large Business Products

[Information for Large Businesses](#)

### Small Business Products

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# EXHIBIT

## JAR-10

512 Thornhill Dr.  
Spartanburg, SC 29301-6425



Join The Neighborhood  
and you'll also get

**10 FREE**

rentals at **BLOCKBUSTER®**

000029253208110

Get unlimited local and unlimited long distance with The Neighborhood.  
Talk to anyone, anywhere in the U.S., at any time.

Dear [REDACTED]

Now from your home phone you can get **unlimited local** and **unlimited long distance** from one company, on one bill! Just call The Neighborhood, built by MCI — the first nationwide local and long distance phone company — and ask for Neighborhood Complete.

With Neighborhood Complete, you get all this for \$55.99 a month!\*

- unlimited local calls
- unlimited long distance
- caller id
- unlimited regional calls
- call waiting
- voicemail

Join today to get **10 FREE** rental certificates good at BLOCKBUSTER!\*

Join The Neighborhood now and you'll get **10 FREE movie or game rental certificates** good at a participating BLOCKBUSTER store. Plus, you'll continue to earn a free rental certificate for every \$25 you spend each month as a member of The Neighborhood.\*\* **That's up to 34 free rentals a year!**

The Neighborhood has a range of plans for you to choose from.

Call 1-800-207-2875. Hurry, offer ends June 30, 2003.

Sincerely,

Michael Cordy  
Director, Partnership Marketing  
Blockbuster Inc.

Catherine Smith  
Director, Partnership Marketing  
MCI



See back for details.

**THE**  
**Neighborhood**

built by mci

Where local and long distance come together.

898QWK  
ZLBD

Join The Neighborhood today, and  
you're on your way to FREE rentals  
at BLOCKBUSTER® every month!

## THE Neighborhood

built by mci

You'll earn a free rental certificate good for one (1) FREE movie or game rental at a participating BLOCKBUSTER store for every \$25 you spend each month as a member of The Neighborhood.\*\*

The place to rent & buy movies and games is **BLOCKBUSTER!**



**Make It a BLOCKBUSTER Night®**

For residential voice service only. Call for pricing and availability in your area.

\*Additional Network Access Charge of \$6/month for 1st line, Carrier Cost Recovery Charge of 1.4%, Federal Universal Service Fee, in-state fees and taxes apply. Additional State Network Access Charge of \$3.28/month applies for Michigan residents.

\*\*Existing customers not eligible for bonus offer, but can earn a rental certificate good at participating BLOCKBUSTER® stores for every \$25 spent each month on MCI services. Must be at least 18 years old and authorized to select the phone service carrier for your household. Each rental certificate good for one (1) movie (DVD or VHS), or game rental and is redeemable at a participating BLOCKBUSTER store. Your rental certificates will arrive within 3-5 weeks of joining The Neighborhood. Please allow additional time if you are requesting service for a new phone number. You must remain an MCI customer through the time of fulfillment to receive your full bonus.

\*\*\*The following MCI® services count toward the \$25 spending threshold: Long Distance, Local Toll, MCI Calling Card, Local services and International calls. Local Toll service may also be referred to as in-state long distance, local long distance, regional toll or shorter distance calls. For each incremental \$25 consumers spend during that month, they will earn one additional rental certificate. Rental certificates are good toward one (1) free movie (DVD or VHS) or game rental. Based on MCI spending net of taxes, credits and discounts, if any. Limit one bonus program per MCI account.

Membership rules apply for rentals at BLOCKBUSTER. Limit one (1) rental certificate redemption per membership account per visit to BLOCKBUSTER. Customer is responsible for all applicable taxes and extended viewing fees. Rental certificates cannot be combined with any other discounts or offers, cannot be exchanged for cash, and may not be sold, transferred, or reproduced. Rental certificates must be relinquished at time of redemption. Void if lost or stolen. Free rental certificates are redeemable at a participating BLOCKBUSTER store in the United States. If recipient rents multiple movies/games when redeeming certificate, credit will be applied to lowest rental price. Cash value of rental certificate is 1/100¢. BLOCKBUSTER name, design and related marks are trademarks of Blockbuster Inc. ©2003 Blockbuster Inc. All rights reserved.

# Neighborhood

Where local and long distance come together.

Unlimited local & long distance.  
Rock 'em up.



Over **2,000,000** have joined. How about you?

For more information call 1-877-777-6271

FEATURES  
& BENEFITS

CHECK PRICES  
& SIGN UP

SEEKING  
THE RIGHT

## Extra features and services at no extra charge.

Whether it's the unlimited calls, unlimited DSL Internet access, the features, or one low monthly price, The Neighborhood is the best. Take a look at the features and benefits that have the whole country talking.

► [Find your plan](#)

### Features

#### Unlimited local, regional and long distance calls

Most people have a hard time believing us, but it's true. With The Neighborhood, you can make all the state-to-state, in-state, regional/local toll and local calls whenever you want, to whomever you want. One low monthly price.

#### Unlimited DSL Internet access

Stay connected to the Internet 24 hours a day, 7 days a week and slow dial up again. Download music, share photos and much more. One low monthly price covers all your phone and Internet needs.

#### The most popular features at no extra charge

The Neighborhood isn't just about talking on your phone - it's about what you can do with it. That's why Call Waiting, Caller ID, Call Waiting ID, Speed Way Calling are included at no extra charge. So you can do things like calling before you answer, call someone at the touch of a button, call the line whenever you want, and never miss an important call.

#### Personal Voicemail & Message Center

You don't always have to be on the phone to enjoy the features of The Neighborhood. You can use our "Notify Me" feature to receive e-mail or pager alert messages -- then check your messages by phone or on the web at The Neighborhood.

### Benefits

#### One company, one bill

The Neighborhood isn't just a great long distance deal, it's a true alternative to a traditional local phone company. With The Neighborhood, you can get unlimited local and long distance service and 5 of the most popular calling features for one monthly price, from one company. The Neighborhood helps reduce the clutter by sending you one easy-to-read bill for all your calls and features, all in one place to call if you need customer service.

#### Great partner programs

The Neighborhood doesn't just let you call more places, more often, more chance to earn more extras, more often, too. That's because ever with The Neighborhood can help you accumulate partner rewards more.

### Find The Neighborhood plan that works for you

Enter your home phone number below to check availability and pricing.

**FIND YOUR PLAN**

[Where is The Neighborhood available?](#)

For more information, visit [www.theneighborhood.com](#)

to check availability and pricing for The Neighborhood. We do not collect information for any other purpose.

\*For new customers only. 50% off activation fee. Monthly fee for premium service.

Unlimited calling plans for residential voice service only. [Click here](#) for details.

Additional taxes and surcharges apply.

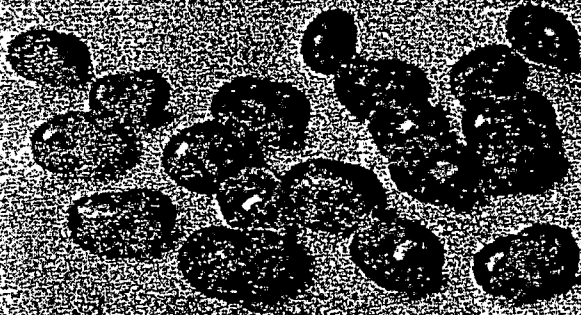
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# Neighborhood

Where local and long distance come together.

Unlimited local & long distance  
What a sweet deal



Over 2,000,000 have joined. How about you?  
For more information call 1-877-777-6271

Your number (803) [redacted] is  
of The Neighborhood.

Now find the plan that's right for you.

If the phone number above is not the number you entered, [click here](#) to re-enter your phone number.

## NEIGHBORHOOD COMPLETE

Perfect for: people who want unlimited local and long distance 5 features — for one low monthly price on one bill.

See list below for full details.

- Unlimited long distance calls
- Unlimited local toll calls
- Unlimited local calls
- One company, one bill
- Call Waiting, Caller ID, Call Waiting ID, Speed Dial 8 and T at no extra charge
- Personal Voicemail & Message Center
- Add unlimited calls to Canada
- Low rate calling card
- Customize your service with the latest features
- Additional phone lines

\*For new customers only. 50% off applies to monthly fee for prim

Unlimited calling is for residential voice service only. [Click here](#) for

Additional taxes and surcharges apply. [Click here](#) for details.

**NEIGHBORHOOD COMPLETE** with Neighborhood Complete




► [See a full list of Neighborhood Complete details](#)

## NEIGHBORHOOD HIGHSPEED

Perfect for: people who want unlimited local, long distance high speed Internet access, plus 5 features — for one low one bill.

See list below for full details.

- Unlimited long distance calls
- Unlimited local toll calls
- Unlimited local calls
- One company, one bill
- Call Waiting, Caller ID, Call Waiting ID, Speed Dial 8 and T at no extra charge
- Personal Voicemail & Message Center
- Add unlimited calls to Canada
- Low rate calling card

-  Customize your service with the latest features
-  Additional phone lines
-  Unlimited DSL Internet access (where available)

DSL service requires one year service agreement. Early termination equipment is not returned in good working order within 30 days of will receive your DSL self-installation kit within 2 weeks after your and long distance service is active. [Click here](#) for complete terms :

†For new customers only. 50% off applies to monthly fee for prim.

Unlimited calling is for residential voice service only. [Click here](#) for

Additional taxes and surcharges apply. [Click here](#) for details.










for Neighborhood HiSpeed

► [See a full list of Neighborhood HiSpeed details](#)



**Perfect for: people who want unlimited local calling but d unlimited long distance calling.**

See list below for full details.

-  Unlimited local calls
-  Low rate for all long distance calls
-  One company, one bill
-  Call Waiting, Caller ID, Call Waiting ID and Three-Way Call charge
-  Low rate calling card
-  Customize your service with the most popular features
-  Additional phone lines

Unlimited calling is for residential voice service only. [Click here](#) for

Additional taxes and surcharges apply. [Click here](#) for details.



with Neighborhood Advantage

► [See a full list of Neighborhood Advantage details](#)

†For new customers only. 50% off applies to monthly fee for prim.

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# EXHIBIT

## JAR-11

Friday



Learn ▸

Purchase ▸

Manage ▸

Troubleshooting ▸

## Z-LineHOME®

for South Carolina

### Unlimited Plan

- Unlimited local calling
- Unlimited long distance calling
- Personal Voice Assistant (PVA)
- All popular calling features

**\$59.99**

Note: packages and prices vary, if this is not the state you want click [here](#)

### Z-LineHOME Unlimited for South Carolina


**\$59.99**  
per month

Z-LineHOME is the first complete home phone service. It's everything you need in one package for less than other phone companies would charge you for a similar package.

**Feature Descriptions:**  
Local/Long Distance  
Enhanced Phone Features  
Web Enabled Features  
Find Me  
Voicemail  
Notify Me  
One Bill  
Z-LineHOME Access Card

#### Package Includes:

- Unlimited Local Calling
- Unlimited Domestic Long Distance
- Personal Voice Assistant
- Call Waiting
- Caller ID
- 3-Way Calling
- Speed Calling
- Enhanced Voice Mail
- Find Me Call Forwarding
- Notify Me
- Z-LineHOME Access Card

#### Web Based Features:

- Listen To Voicemail on
- Set up Notify Me Option
- Set up Find Me Options
- Access Live Customer Support
- Make Payments Online

There was a time when you had to pick separate companies for your local and long distance phone service. And then you pick and pay for each individual feature you wanted, too. Z-Tel put an end to all that with Z-LineHOME, the first complete home phone service.

Z-LineHOME gives you local and long distance calling, popular calling features like Voicemail, Call Waiting and more, and unlimited Member-to-Member long distance, all from one company, on one bill, for one price every month. There's no switch, and you can even keep your current phone number! And you can pick the plan that best suits you.

- Z-LineHOME Unlimited is intended for Person to Person, Residential Voice Service Only.

#### Configure Your Service:

To convert your existing phone number(s) to Z-Tel service, enter the number(s) in the fields below and choose a corresponding Z-Tel product, then click the Buy Now button below.

**Please Note:** If you have Multiple Lines, DSL, or Distinctive Ring, here's some important information you will want before proceeding.

Your Primary Line    Z-LineHOME Unlimited (\$59.99/mo)

Your Second Line

Your Third Line

Additional Voicemail costs \$4.95 for 1 to 4. Additional Voicemail Boxes 5 to 8 costs \$4.95. How many Voicemail Boxes do you like?

☒ No Additional Voicemail Boxes

☐ Z-Tel offers a Wire Maintenance plan which will cover the cost to repair or replace your phone wiring between network interface point (which is usually a gray box attached to the outside of your residence) up to and including inside your house if damage is caused by normal wear and tear. The cost of this plan is only \$4.95 per month.

**Buy Now**

**Long Distance Rates**

State-to-State

In-State

**Z-LineHOME Access Card (800 Access)**

20 cents per minute

20 cents per minute

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# EXHIBIT

## JAR-12



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## > Products and Services

### > Bundled Products

Simplici-T  
VoicePack

### > Voice Services

Local  
Long Distance

### > Data

Frame Relay  
Private Line

### > Internet

Dedicated  
Dial Up  
DSL  
Internet Use Policy

### > Our Network

### > Carrier Services

## Voice Services

**Voice service is the core of our business and the lifeline of yours.** Choose BTI for a full range of voice services, with lower rates and the flexibility to configure the perfect fit for your enterprise.

### Local

Think you're stuck with the same giant company for local dial tone? BTI offers the same reliable service as the incumbent, with all of the features and extras your business requires. With the most "Bell-like" network in the Southeast, we are your single-source for a full range enhanced local service. The difference? Lower rates and the simplicity of BTI. From 911/411 and ISDN (PRI and BRI service) to local number portability and Centrex, BTI local service delivers.

[> more](#)

### Long Distance

Long distance is not "One Size Fits All." Think all long distance providers are the same? Not so. BTI started life as a long distance provider twenty years ago on the premise that businesses want a competitive long distance alternative.

At BTI, we deliver more than just a phone call. We provide feature-rich long distance service with the ability to integrate local, data and Internet for a complete telecommunications solution. We're unbeatable when it comes to reliability and price.

We've learned a thing or two about long distance service over the years. Unlike many of our competitors, BTI owns and operates its own network facilities. This allows us to provide a solution that meets your needs, not ours. With BTI, you are never forced into a plan that doesn't match your objectives. Experience the difference with a custom-designed long distance solution to fit your business strategy.

[> more](#)

### For more information:

E-mail us [or contact your local BTI office at 1-800-444-2279.](#)

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## > Products and Services

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Simplici-T  
VoicePack

### > Voice Services

Local  
Long Distance

### > Data

Frame Relay  
Private Line

### > Internet

Dedicated  
Dial Up  
DSL  
Internet Use Policy

### > Our Network

### > Carrier Services

## Local

Think you're stuck with the same giant company for local dial tone? BTi offers the same reliable service as the incumbent, with all of the features and extras your business requires. With the most 'Bell-like' network in the Southeast, we are your single-source for a full range of enhanced local service. The difference? Lower rates and the simplicity of BTi. From 911/411 and ISDN (PRI and BRI service) to number portability and Centrex, BTi local service delivers.



#### Local Service Features:

- > Ability to bundle voice, data and Internet on one integrated bill for savings and convenience
- > Large service footprint across 17 states
- > Designed for business applications
- > Keep the same numbers with local number portability (LNP)
- > Full 411 and E911 connectivity
- > White and yellow page directory listings

#### Local Options:

- > Business lines
- > Business trunks
- > PBX trunks
- > Two-way DID trunks
- > Local & data IP integrated over T-1
- > Citywide Centrex
- > ISDN BRI
- > ISDN PRI
- > Complete selection of custom features (including but not limited to: call waiting, call forwarding, speed dial, three way calling, call return, caller ID, repeat dial, etc.)
- > Voice mail with choice of five package options; includes custom features, secure access and unique telemail service
- > Direct inward dial
- > Expanded area calling
- > Operator and automated directory assistance

#### For more information:

E-mail us or contact your local BTi office at 1-800-444-2279.

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## > Products and Services

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[Local](#)  
[Long Distance](#)

### > Data

[Frame Relay](#)  
[Private Line](#)

### > Internet

[Dedicated](#)  
[Dial Up](#)  
[DSL](#)  
[Internet Use Policy](#)

### > Our Network

### > Carrier Services

## Bundled Products

**Simplici-T and VoicePack** are BTI's two flagship bundles. Whether you require voice, data or Internet, our flexible, customizable packages are the smart business choice. BTI bundled products simplify your life with one company, one bill, and one point of contact.

Predictable, flat rate monthly pricing allows for accurate budget forecasting, while competitive pricing impacts your bottom line. It adds up to an elegant, easy solution that liberates you to focus on your business. End the headache of multiple vendors, contracts, and bills. Bundle up with BTI!

### **Simplici-T**

#### Simplici-T™

Life should be simple. And business communications should be pure. Simplici-T™ ends the headache of dealing with multiple vendors, contracts and bills. With BTI's Simplici-T, local, long distance and Internet service elegantly converge in one product, on one bill, from one company. Best of all, BTI provides this service on one T-1 circuit at one simple price, taking the guesswork out of your monthly invoice. Predictable payments and E-billing provide flexibility to suit your enterprise.

[> more](#)

### **VoicePack**

#### VoicePack™

A voice revolution, packed to go. Your business requires reliable, affordable voice communications. What you don't need are complicated plans, numerous vendors, and multiple bills. BTI cuts through the crowd with a comprehensive business solution with all the extras. BTI's VoicePack is a power duo of local and long distance telephone service tied up in one convenient bundle.

Best of all, VoicePack is offered at one simple, flat rate price, taking the guesswork out of your monthly invoice. Predictable payment and E-billing deliver flexibility to suit your enterprise. For a revolution in voice communications, grab VoicePack. It's all you need.

[> more](#)

#### For more information:

E-mail us or contact your local BTI office at 1-800-444-2279.

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# EXHIBIT

## JAR-13

# BUSINESS MONTHLY

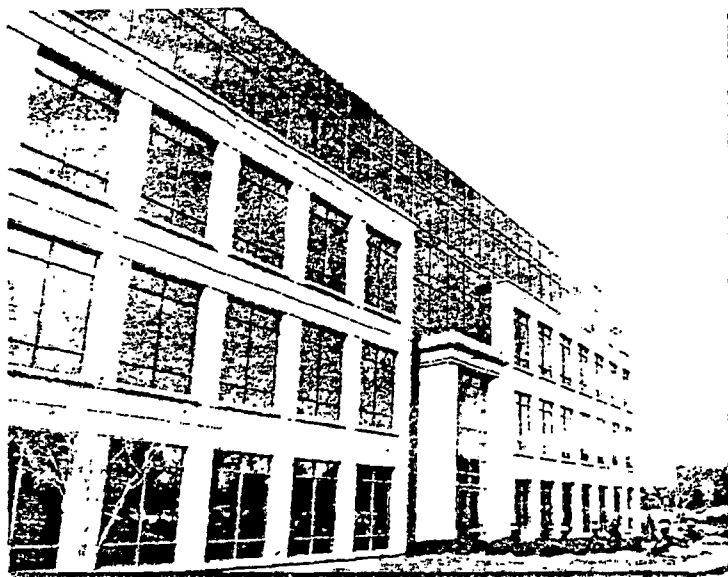
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Charley Britt Speaks Out  
Choosing An Accountant  
Should You Hire A Sales Rep

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low as \$0.05 per minute!!!

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business  
connections  
you can make.



# EXHIBIT

## JAR-14



NewChoice New Technology Ne

[I'm a Customer](#) | [I'm a Dealer](#) | [Company](#) | [People](#) | [News](#) | [Products](#) | [Technology](#) | [Customer](#)

July 7, 2003

[Long Distance](#) | [Small Business Solutions](#) | [Voice Mail](#)  
[Conference Calling](#) | [Phone Cards](#) | [Enhanced Features](#)
[Internet & Data](#)[Voice](#)[Bundles](#)[Telecom Terms](#)[Promotions](#)**Local Service**

The heart of your telecommunications solution is local service. NewSouth Communications' Lucent 5ESS AnyMedia™ digital switches enable us to provide you with the best quality service at the lowest prices. And, when you switch your local service to NewSouth, you enjoy the savings of NewArea, an extended local calling area offered free of charge. Our local service offering includes a variety of enhanced features to meet the varying needs of your business.

**Features:**

- PBX Trunks
- Business Exchange Lines
- Extended NewArea
- Point-to-Point

Have an Account Executive Contact Me.

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### **Business Exchange Lines**

NewSouth Communications' Business Exchange Lines enable you to customize the features and functionality of your telephones. The choice in options ranges from purchasing a simple "dial tone" line without any features, to the option of selecting an array of software-defined features provided by our Lucent AnyMedia™ digital switch. NewSouth Communications' features are specially designed to allow you to save time, control costs, and work more efficiently. Examples of our features include:

- Hunting
- Call Forwarding
- Call Waiting
- Conferencing
- Speed Calling





July 7, 2003

Internet & Data  
Voice  
Bundles  
Telecom Terms  
Promotions

Local Service | Long Distance | Small Business Solutions  
| Voice Mail | Conference Calling | Phone Cards

#### **Enhanced Features**

NewSouth offers several ways to expand your business communication capabilities through our suite of enhanced voice features.

#### **Individualized Dialing Plan**

Convenient and saves your business money. With an Individualized Dialing Plan, NewSouth's facility voice customers can access separate office locations through three, four, or five digit dialing. No costly equipment required or short or long haul point-to-point T1's required.

#### **Multi-way Calling**

Enjoy conference calling for up to six people whenever you need it, without higher rates. Multi-way calling lets a caller add another voice line user to an existing conversation up to a six party conference maximum.

#### **Queuing**

No more busy signals! When all lines are in use, queuing allows your business to redirect excess calls to a waiting group or queue until a line is available.

#### **Customer Recovery**

When nature strikes, your business will be ready. Customer Recovery allows the you to forward calls to a secondary number(s) before a disaster hits. Two options are available:

- Single line forwarding  
Customer controlled call forwarding - the customer can input the forwarding number using any phone whether it is a pay phone, cell phone, etc. to forward his main telephone number (MTN) in the event of an emergency.
- Multiple line forwarding  
This option is available for businesses needing to forward multiple lines during a natural disaster that could potentially cause telephone outages. Your business prepares a pre-determined list of where each of the numbers will be forwarded.

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NewChoice NewTechnology Ne

I'm a Customer | I'm a Dealer | Company | People | News | Products | Technology | Customer

July 21, 2003

Internet & Data  
Voice  
**Bundles**  
Telecom Terms  
Promotions

## Bundles

### Suite T™

A sweet deal for your business, NewSouth Communications' Suite T™ offers a T1 in any combination of voice and data channels. Whether their needs are high-speed connectivity or multiple voice lines, businesses enjoy one flat rate month after month for all of their communication needs on one bill.



### NewSolutions™

Now small businesses can get that same edge with NewSolutions™ from NewSouth Communications. A total communication package, NewSolutions™ provides everything a small business needs to be successful. Without the traps and hassles usually expected with traditional providers. And the long distance is FREE.

NewSolutions™ includes:

- Local Service
- High-speed Internet Access
- E-mail
- Long Distance with 200 minutes FREE per line per month
- WebHosting
- Low installation costs

### NewSolutions Secure™

Now, in addition to our original NewSolutions™ Internet, data, and voice bundle, we've added LANLock Internet security management tool - a great way to get reliable and secure service from one provider.

### BroadbandSolutions™

For the Internet-focused business, BroadbandSolutions™ provides more bandwidth to small-to-medium sized businesses, bundled with FREE long distance and voice services. One fixed price from one provider that meet your business' communication needs.

BroadbandSolutions™ includes:

- High-speed Internet Access (384k - 1280k)
- Long Distance with 200 minutes FREE per line per month
- Local Service
- E-mail
- WebHosting
- Low installation costs

### BroadbandSolutions Secure™

Much like NewSolutions Secure™, BroadbandSolutions Secure™ packages BroadbandSolutions™ with NewSouth's managed, Internet security tool, LANLock™. Businesses that are investing in more Internet capabilities can protect their interests from cyber-attacks such as cyber-theft and computer viruses.

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**EXHIBIT**

**JAR-15**

NuBundle ☒

## NuBundle Overview

[Sign-up for Service](#)
[NuBundle Speed  
\(Macromedia Flash\)](#)

### Overview

[Features and Benefits](#)
[Market Availability](#)
[Contact Us](#)

The NuBundle Business Package is composed of unlimited high-speed Internet access, Web hosting, feature-rich local phone service and long distance service.

With the NuBundle, you can experience the following advantages:

- **Simplicity:** One bill for all services
- **Efficiency:** Conduct business more effectively through simplified communications management
- **Speed:** Allows for data transmission speeds exponentially faster than traditional analog modems
- **Always up:** Eliminates dialing-in and busy signals; the service is always connected

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NuBundle 

## NuBundle Features and Benefits

[Sign-up for Service](#)
[Overview](#)
[Features and Benefits](#)
[Market Availability](#)
[Contact Us](#)

The NuBundle Business Package includes the following features and benefits:

### Internet

- High-speed Internet access - enables you to navigate the Web at speeds from 256kbps to 1.544Mbps
- Unlimited Internet usage - offers you the ability to access the Internet as often as you like
- Web hosting solutions - provide the ability to market your business online
- Domain name registration - allows you to personalize your Web presence (www.yourcompany.com)
- Search engine registration - makes it possible to add your URL to the most powerful search engines on the Web
- 20 e-mail accounts - increase productivity through this global communication tool
- Control Panel access - facilitates account management via the Internet
- Feature available at an additional charge:
  - Remote Access via dial-up service - provides comprehensive connectivity to the Internet

### Long Distance

- Outbound and inbound services - enable you to call anywhere in the world
- 200 minutes of long distance per line per month (includes interstate, intrastate, local toll and 8XX calls - calling card and international calls are not included)
- Calling cards - make it possible to call long distance from any location in the U.S., at any time of day
- Account codes - allow you to track long distance billing information

### Local Service

- Feature-rich local lines offer robust calling features to enhance your communication capabilities.
- Features available at an additional cost:
  - NuVox Voice Mail - offers a broad range of messaging features to enhance your business communications capabilities.
  - Remote Listing Service - provides callers with a local number that may be forwarded to your business location.

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NuBundle 

## Market Availability

[Overview](#)

[Features and Benefits](#)

[Market Availability](#)

[Contact Us](#)

NuVox offers service for this product in the following markets:

- Akron, OH.
- Atlanta, GA.
- Charleston, SC.
- Charlotte, NC.
- Cincinnati, OH.
- Columbia, SC.
- Columbus, OH.
- Dayton, OH.
- Greensboro, NC.
- Greenville, SC.
- Indianapolis, IN.
- Jacksonville, FL.
- Kansas City, MO.
- Knoxville, TN.
- Lexington, KY.
- Little Rock, AR.
- Louisville, KY.
- Miami / Ft. Lauderdale FL.
- Nashville, TN.
- Oklahoma City, OK.
- Raleigh, NC.
- Springfield, MO.
- St. Louis, MO.
- Tulsa, OK.
- Wichita, KS.
- Wilmington, NC.

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Voice Services ☒

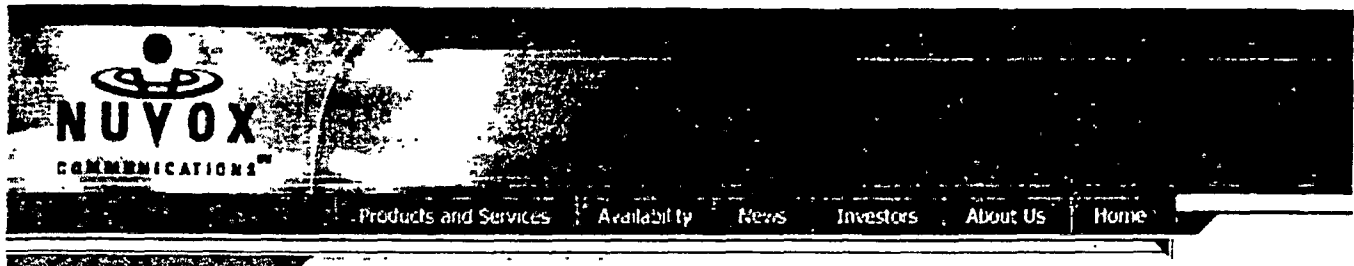
## Nuvox Voice Services

[Sign-up for Service](#)
[ISDN-PRI](#)
[Toll Services](#)
[CompleteVoice Plus](#)
[Voice Mail](#)

Your business relies on communication services to stay in touch with your customers and for them to contact you. NuVox provides a complete and affordable selection of Voice Services to meet the needs of your business. Benefit from large local calling areas, simple service plans, standard features, and other optional services all on one convenient bill. Whether your business requires business lines or digital trunks, NuVox has the solution for your business.

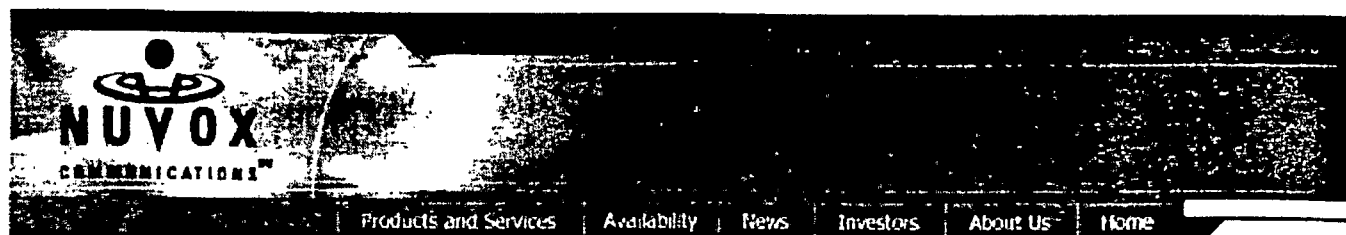
NuVox's Midwest markets offer a selection of a la carte local and long distance services to best meet the needs of your business. In NuVox's Southeast markets, you may select from our CompleteVoice and ISDN PRI service offerings for your local and long distance communications.

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Voice Services **ISDN-PRI Overview**[Sign-up for Service](#)ISDN-PRI **Overview**[Features and Benefits](#)[Market Availability](#)[Contact Us](#)[Toll Services](#)[CompleteVoice Plus](#)[Voice Mail](#)

NuVox Communications' Integrated Services Digital Network Primary Rate Interface (ISDN PRI) offers high quality, low cost, switched digital communications over standard phone lines. The concept of ISDN is the integration of analog voice with digital data over the same network. The NuVox ISDN PRI conforms to the CCITT NI2 standard and is delivered on a digital pipe with 23 "B" channels to carry voice and a single "D" channel that carries control and signaling information. Our ISDN PRI supports switched inbound and outbound voice for both local and long distance.

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Voice Services

## ISDN-PRI Features and Benefits

Sign-up for Service

ISDN-PRI

## Standard Service Features

Overview

**Features and Benefits**

Market Availability

Contact Us

Toll Services

CompleteVoice Plus

Voice Mail

- 23 "B" and "D" service
- Simple flat rate pricing in most areas
- Includes port, interface and channels
- Calling Name and Number Delivery Interface delivers calling party telephone number and/or listed name (where technically available) to the called party
- Dynamic Channel Allocation enables a customer to designate the quantity of call types
- Dialed Number Identification Service (DNIS) provides the PBX/ACD with the toll-free telephone number that was dialed by the caller

## Optional Service Features

- Backup "D" channel enhances survivability when three or more ISDN PRIs share a "D" channel
- Direct Inward Dialing (DID) provides direct access to extension numbers
- DID Numbers available

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## Voice Services

### ISDN-PRI ▼

Overview

Features and Benefits

### ▶ Market Availability

Contact Us

Toll Services

CompleteVoice Plus

Voice Mail

## Market Availability

Sign-up for Service

NuVox offers service for this product in the following markets. Click on a city below to learn more about its service and calling areas.

- Akron, OH.
- Atlanta, GA.
- Charleston, SC.
- Charlotte, NC.
- Cincinnati, OH.
- Columbia, SC.
- Columbus, OH.
- Dayton, OH.
- Greensboro, NC.
- Greenville, SC.
- Indianapolis, IN.
- Jacksonville, FL.
- Kansas City, MO.
- Knoxville, TN.
- Lexington, KY.
- Little Rock, AR.
- Louisville, KY.
- Miami, Ft. Lauderdale FL.
- Nashville, TN.
- Oklahoma City, OK.
- Raleigh, NC.
- Springfield, MO.
- St. Louis, MO. (Metro East St. Louis)
- Tulsa, OK.
- Wichita, KS.
- Wilmington, NC.

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[Voice Services](#)

## CompleteVoice Plus Overview

[Sign-up for Service](#)[ISDN-PRI](#)[Toll Services](#)[CompleteVoice Plus](#) [Overview](#)[Features and Benefits](#)[Market Availability](#)[Contact Us](#)[Voice Mail](#)

CompleteVoice Plus offers feature-rich local service, affordable long distance, and robust optional calling features for businesses requiring a powerful communications solution. This product is available to customers requiring Business Line Service and Trunk Service.

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## Voice Services

[ISDN-PRI](#)[Toll Services](#)[CompleteVoice Plus ▼](#)[Overview](#)[► Features and Benefits](#)[Market Availability](#)[Contact Us](#)[Voice Mail](#)**CompleteVoice Plus Features and Benefits**[Sign-up for Service](#)

CompleteVoice Plus offers the following features via Business Lines or Trunk Services:

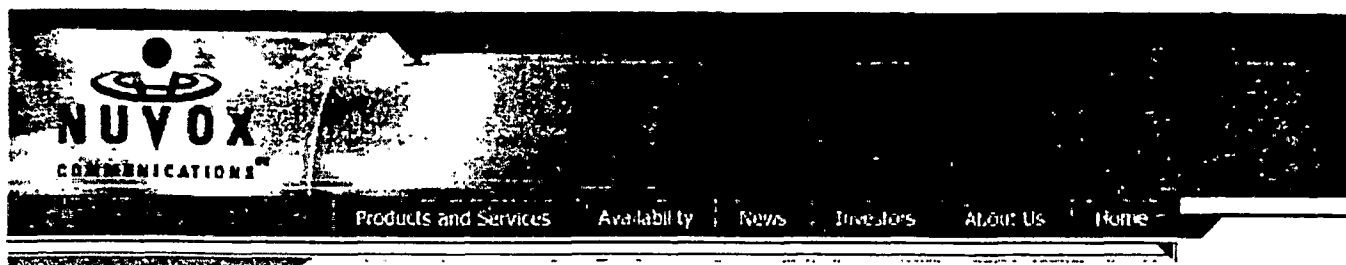
**Local Service**

- Business Line Service offers robust calling features.
- Trunk Services provide DID, DOD or two-way transmissions.
- Features available at an additional cost:
  - NuVox Voice Mail - offers a broad range of messaging features to enhance your business communications capabilities.
  - Remote Listing Service - provides callers with a local number that may be forwarded to your business location.

**Long Distance**

- Outbound and inbound services – enable you to call anywhere in the world
- 200 minutes of long distance per line per month (includes interstate, intrastate, local toll and 8XX calls - calling card and international calls are not included)
- Calling cards - make it possible to call long distance from any location in the U.S., at any time of day
- Account codes – allow you to track long distance billing information

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Voice Services ☒**Market Availability**

Sign-up for Service

ISDN-PRI

Toll Services

CompleteVoice Plus ▼

Overview

Features and Benefits

▶ **Market Availability**

Contact Us

Voice Mail

NuVox offers service for this product in the following markets:

- Akron, OH.
- Atlanta, GA.
- Charleston, SC.
- Charlotte, NC.
- Cincinnati, OH.
- Columbia, SC.
- Columbus, OH.
- Dayton, OH.
- Greensboro, NC.
- Greenville, SC.
- Indianapolis, IN.
- Jacksonville, FL.
- Kansas City, MO.
- Knoxville, TN.
- Lexington, KY.
- Little Rock, AR.
- Louisville, KY.
- Miami / Ft. Lauderdale FL.
- Nashville, TN.
- Oklahoma City, OK.
- Raleigh, NC.
- Springfield, MO.
- St. Louis, MO.
- Tulsa, OK.
- Wichita, KS.
- Wilmington, NC.

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# EXHIBIT

## JAR-16



# SeTeL

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Authorized Dealer

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NEC AMERICA, INC.  
Business Systems Sales Division

## Equipment Services

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- Voice over IP Solutions (VoIP)
- Unified Messaging/Voice Mail
- CTI/Desktop Faxing/IVR
- Data Network Installation
- Data/Fiber Cable Installation
- Video Conferencing
- 5 Year Warranty

## Customer Support

- 7-Day, 24-Hour Service
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- Free Consultation/Estimates

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In today's fiercely competitive business environment, fast, dependable messaging is essential. The problem is, conventional systems can't always live up to that standard. If you've ever spent a day trying to get an urgent fax to a traveling employee, or missed a business opportunity because you couldn't access your email, you already know how often traditional messaging

methods fall short. Further, managing all those different messaging formats is eating into productivity; today's workers spend an increasing percentage of their time just accessing messages.

There is a better way: CallXpress® unified messaging from Captaris. With CallXpress, employees don't have to be in the office to get a

fax, or logged on to a computer to access their email; all of their messages—voice, fax and email—are available via the telephone, wireless device, or computer, anytime they need them. CallXpress increases productivity at the office, too; with all three message types displayed together on the desktop computer, message retrieval is fast, and prioritizing easy.

---

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# EXHIBIT

## JAR-17



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## Sprint Expands South Carolina Presence with New Business Sales Force

Sprint optimism about SC opportunities drives new focus on delivering solutions to businesses around the state

**Jeff Shafer, Sprint, 913-794-3614, [jeff.s.shafer@mail.sprint.com](mailto:jeff.s.shafer@mail.sprint.com)**

**Tom Matthews, Sprint Local Telecommunications Division, 919-554-7185, [tom.r.matthews@mail.sprint.com](mailto:tom.r.matthews@mail.sprint.com)**

Overland Park, Kan. — April 29, 2003

New, global resources are on the way for South Carolina businesses seeking advanced communications solutions and new technologies to help them compete in an increasingly challenging environment. Sprint (NYSE: FON, PCS), which has long provided communications services to South Carolina businesses, today announced that it is expanding its presence in the state through the opening of several new business sales offices in key cities.

Sprint Business, the unit of Sprint that services business customers with a wide range of voice and data solutions, is adding sales and technical staff in Greenville/Spartanburg, Columbia and Charleston. The offices will enable Sprint to better understand and serve companies across the state.

"Sprint is continually exploring how to best serve important, growing markets, and the timing is now right for us to expand our presence in South Carolina," said Gary Linsin, vice president, Sprint Business – Southeast. "Businesses need a communications partner that not only understands technology, but that understands their competitive environment, their culture and their vision. A greater local presence in South Carolina will help us deliver even greater value to our existing customers in the state and to those who we expect to win."

The new South Carolina offices will be led by Lance Behymer, branch director, Sprint Business Sales. "South Carolina has a number of growing market segments – like manufacturing, textiles and healthcare services – for which Sprint has a powerful set of solutions," Behymer said. "I believe that by enhancing our presence in South Carolina, we will better understand the opportunities and challenges that face businesses here. Sprint is the only company that has national wireless and wireline networks that, together, can create a wide range of exciting, cutting-edge new solutions to help South Carolina businesses compete around the state and around the world."

In addition to the new sales focus in South Carolina, Sprint has stated that it expects to invest some \$10 million this year in South Carolina on local telephone service projects to continue providing customers with high-quality voice and data service and to deploy new communication technologies. The company's South Carolina investments will include the continued aggressive deployment of Sprint FastConnect® DSL high-speed Internet service. A significant portion of that investment also will be in fiber-optic related projects.

### About Sprint

Sprint is a global integrated communications provider serving more than 26 million customers in over 100 countries. With approximately 70,000 employees worldwide and nearly \$27 billion in annual revenues, Sprint is widely recognized for developing, engineering and deploying state-of-the-art network technologies, including the United States' first nationwide all-digital, fiber-optic network and an award-winning Tier 1 Internet backbone. Sprint provides local voice and data services in 18 states and operates the largest 100-percent digital, nationwide PCS wireless network in the United States. For more information, visit [www.sprint.com](http://www.sprint.com).

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## Clipping

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City, State

*Spartanburg, SC*

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# Phone business changes evident in Sprint move

## LOCAL SERVICE:

Plan would entice people to go wireless

By BRIAN BERGSTEIN

Associated Press

NEW YORK — Sprint Corp. is moving to sell local phone service to its cellular and long-distance customers, a belated embrace of the industry's attempts to overcome its tumult by wooing consumers with all-inclusive calling plans.

It may seem counterintuitive, but Sprint believes the local plan could develop into an effort to get more people to drop landlines and go all wireless. That strategy, described by a Sprint executive Tuesday, acknowledges the grave threat that Internet-based communications and other technologies pose to traditional landline calling.

Sprint has been test-marketing packages of local, long-distance and wireless service to customers in 35 states for several months.

The company plans to extend the packages without much fanfare, largely by adding inserts to bills to its 18 million cellular and 6 million long-distance customers, Len Lauer, head of Sprint PCS, the company's wireless division, said. The move is designed to keep Sprint competitive with telecommunications rivals that offer "bundles" of services. Sprint's top two long-distance competitors, AT&T and MCI, offer local service in many states.

The Baby Bell regional phone carriers are aggressively packaging long-distance with local service, high-speed Internet access and in some cases wireless calling.

Sprint already offers local service in parts of 18 states by using network infrastructure it owns.

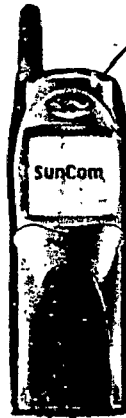
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**JAR-18**

# Come save at SunCom's Memorial Day Phone Clearance Sale. Sale ends May 31st!



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Nokia 5165



**FREE**  
Nokia 1160



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**UnPlan**

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Member of the AT&T Wireless Network

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## WEEKEND HOURS: SAT 10A-5P

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(corner of Harden St.  
and Blossom)  
803-261-7510

**Columbiana Centre**  
(near Parisian)  
100 Columbiana  
Circle  
803-261-7570,  
803-407-7738  
(M-Sat 10a-5p,  
Sun 1-5p)

**Columbiana Place**  
1230 Bower Pkwy  
803-261-7560

**Two Notch Rd**  
Creekside Plaza  
803-261-7530

**CAMDEN**  
Dusky Bend  
Shopping Center  
3513 North Broad St  
803-243-7400  
(M-F 9a-5:30p,  
Sat 10a-5p)

**LEXINGTON**  
Mallard Lakes  
Business Park  
5483 Sunset Blvd  
803-261-7550

**FT. JACKSON**  
Main Exchange  
Building  
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Market Place  
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A6 THURSDAY, MAY 22, 2003  
NATION&WORLD



## Clearly the **coolest** phones.

Sprint gives you an incredible selection of PCS Phones with features including: built-in cameras, full-color screens, games, voice activated dialing, caller ID, speakerphone and so much more. All this plus the amazing voice clarity you've come to expect. Only Sprint built the largest all-digital, all-PCS nationwide network with advanced multimedia services reaching more than 230 million people for clarity you can see and hear. And with PCS Vision<sup>SM</sup> from Sprint, you can do more than just make a phone call. Visit your nearby Sprint Store today to choose the perfect PCS Phone for you and experience a whole new way to look at wireless. See special offers on back.

**Now, save up to \$100 on select PCS Phones!**

*Sprint  
Other*





# FREE PCS Phone.



reg. \$99.99

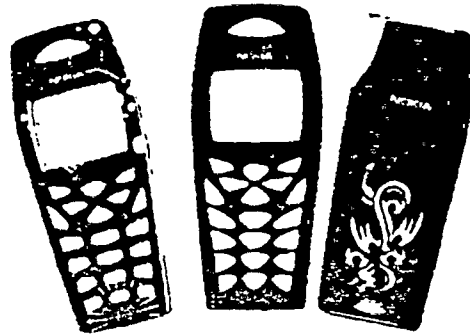
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on fantastic accessories.



## Save \$10 Instantly

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**Vonage Customers Are Talking**

"The clarity is very good,  
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- Melanie Rabuse



**Vonage In The News**

**Forbes**

You generally get to keep your  
own number, and it works with  
your current phone, not a

computer... [more](#)

**Vonage Today**

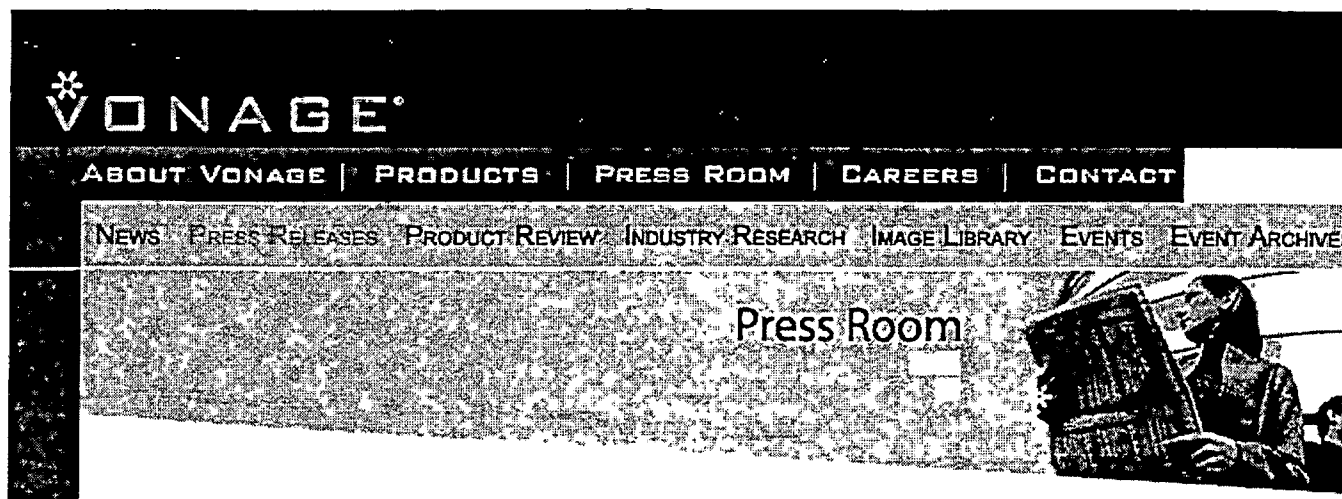
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## Press Releases

### Vonage Digital Voice<sup>SM</sup> Launches service in Winston-Salem, North Carolina

*Residents and Small Businesses near Lake Murray Can Now Get Unlimited Local and Long Distance Calling for an Affordable Flat Rate*

Edison, NJ, May 19 - Vonage, a leading provider of digital telephone service, today announced the availability of Vonage Digital Voice<sup>SM</sup> service in Columbia, South Carolina.

High-speed Internet subscribers in the center of South Carolina can take advantage of Vonage Digital Voice<sup>SM</sup> telephone service offering free unlimited local and long distance calling, including the most popular features like call waiting, call forwarding and voicemail for one low, flat monthly rate. Vonage Digital Voice<sup>SM</sup> customers in Columbia can now choose telephone numbers within the popular (803) area code.

"Vonage is bringing South Carolina's capital city the freedom and flexibility to select an affordable new phone service," said Jeffrey A. Citron, chairman & CEO of Vonage. "As we expand further into the south, Vonage is the choice for residents and small businesses offering flat-rate calling plans throughout the US and Canada that include all of the features, as well as many features not available from traditional phone carriers like online voicemail retrieval and area code selection."

Using the latest technology, Vonage Digital Voice<sup>SM</sup> sets the standard for the new generation of phone service with residential and business calling plans:

- Residential Premium Unlimited Plan - \$39.99/month for unlimited calling throughout the United States and Canada.
- Residential Unlimited Local Plan - \$25.99/month for unlimited local calling plus 500 minutes of United States long distance and Canadian calling.
- Small Business Unlimited Plan - \$69.99/month for unlimited calling throughout the United States and Canada, including a free dedicated fax line.

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- Small Business Basic Plan - \$39.99/month for 1500 minutes of calling throughout the United States and Canada, including a free dedicated fax line.
- Services and hardware included for free in all Vonage Digital Voice<sup>SM</sup> plans:
  - Voicemail
  - Caller ID
  - Call waiting
  - Call forwarding
  - Call transfer
  - Call return (\*69)
  - Caller ID block (\*67)
  - Repeat dialing
  - Area code selection
  - International call block
  - Bandwidth saver
  - Web-based account management, voicemail retrieval and real-time inbound/outbound calling activity
  - International calling at significantly reduced rates, such as:
    - London 6¢ per minute
    - Tel Aviv 6¢ per minute
    - Sydney 6¢ per minute

**About Vonage**

Vonage is redefining communications by offering consumers and small businesses an affordable alternative to traditional telephone service. The fastest growing telephony company in the US, Vonage's service area encompasses more than 1000 active rate centers in over 100 US markets. Sold directly through [www.vonage.com](http://www.vonage.com) and partners such as Amazon.com, Vonage currently has nearly 24,000 lines in service. Over 1.5 million calls per week are made using Digital Voice, the easy-to-use, feature-rich, flat rate phone service. Vonage is headquartered in Edison, New Jersey. For more information about Vonage's products and services, please visit [www.vonage.com](http://www.vonage.com) or call 1-VONAGE-HELP. Vonage Digital Voice is a trademark of Vonage Holdings Corp.

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## **Vonage Digital Voice™ Launches Service in Charleston, South Carolina**

*Residents and Small Businesses from West Ashley to James Island Can Now Get Unlimited Local and Long Distance Calling for an Affordable Flat Rate*

**Edison, NJ, May 20** - Vonage, a leading provider of digital telephone service, today announced the availability of Vonage Digital Voice™ service in Charleston, South Carolina.

High-speed Internet subscribers in southeastern South Carolina can take advantage of Vonage Digital Voice telephone service offering free unlimited local and long distance calling, including the most popular features like call waiting, call forwarding and voicemail for one low, flat monthly rate. Vonage Digital Voice customers in Charleston can now choose telephone numbers within the popular (843) area code.

"Vonage is excited to bring an affordable, full featured phone service to Charleston, the historic cultural capital of the South," said Jeffrey A. Citron, chairman & CEO of Vonage. "Now residents and small businesses in the Charleston area can use their high-speed Internet connection for a better phone service, including free unlimited local and long distance throughout the US and Canada, reduced International calling rates and all of the latest features combined with great service and sound quality."

Using the latest technology, Vonage Digital Voice sets the standard for the new generation of phone service with residential and business calling plans:

- Residential Premium Unlimited Plan - \$39.99/month for unlimited calling throughout the United States and Canada.
- Residential Unlimited Local Plan - \$25.99/month for unlimited local calling plus 500 minutes of United States long distance and Canadian calling.
- Small Business Unlimited Plan - \$69.99/month for unlimited calling throughout the United States and Canada, including a free dedicated fax line.
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  - Voicemail
  - Caller ID
  - Call waiting
  - Call forwarding
  - Call transfer
  - Call return (\*69)
  - Caller ID block (\*67)
  - Repeat dialing
  - Area code selection
  - International call block
  - Bandwidth saver
  - Web-based account management, voicemail retrieval and real-time inbound/outbound calling activity
  - International calling at significantly reduced rates, such as:
    - London 6¢ per minute
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# Calling via Internet has suddenly arrived



► How Internet telephone calls work, graphic 2B.

► **Expert chat online**

Chat about this topic with  
Daryl Schooler of In-Stat/  
MDR on Wednesday at  
2 p.m. ET at  
[talk.usatoday.com](http://talk.usatoday.com)

By Paul Davidson  
USA TODAY

Mark Jaffe of St. Louis recently threw caution to the wind and ditched his trusty SBC Communications local phone service in favor of an offering from an Internet phone start-up called Vonage.

Now his calls travel over the Internet via his cable broadband line. His typical \$120 monthly bill has been cut to a flat \$39.99 rate for unlimited local and long-distance calls and features such as caller ID. Because his physical location is irrelevant for Internet phone service, he was able to choose a number with a San Francisco area code (415), allowing a close friend in that city to dodge long-distance charges. Plus, via a PC he can hear his voice mail by clicking on e-mail, and he can update his call-forwarding, track his calls and bills and even change his phone number, all on the Web.

"There was initial concern," says Jaffe, 36, noting the dubious quality and reliability of Net calling in the late 1990s. But, "Quality is phenomenal, and it's very cost-effective."

Making phone calls on the Internet has suddenly arrived — and it's poised to rock the telecommunications industry.

Until about 18 months ago, Internet calls meant tunny, ham-radio like connections over PC microphones and speakers. It was largely the province of hobbyists who gladly put up with the jittery voice quality for the chance to beat the system, make free calls and cultivate a pioneer spirit.

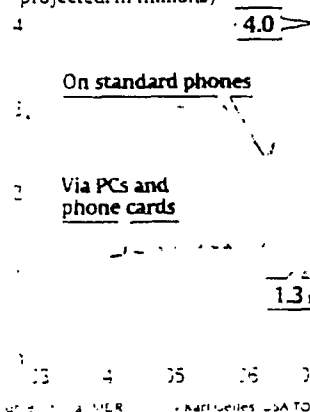
But technological advances and broadband's growth have made calls on the Net, or Internet-like private networks, roughly equivalent to traditional phone service.

"It's beginning to transition from something only a real Internet-savvy person would do into something ordinary folks can do," says Jupiter Research

By Suzy Parker  
USA TODAY

## More Web calls

Number of U.S. consumers making calls on the Internet: projected, in millions



## Cover story

Please see COVER STORY next page ►

UPPER MER... PARTICLES USA TODAY



# Technological advances make Net

Continued from 1B

analyst Joe Laszlo.

The number of U.S. households making Internet calls with standard phones is expected to grow from about 100,000 today to 4 million in 2007, says In-Stat/MDR.

There is a catch: You generally need to already have a broadband connection, which costs about \$40 a month. The number of such cable modem and phone company DSL lines is projected to double to about 40 million in 2007, Jupiter says.

## Cover story

The technology is not new. Since the mid-1990s long-distance companies have sent a growing portion of their intercity traffic via "Voice over Internet Protocol (VoIP)" technology, though customers don't realize it. VoIP is similar to the public Internet service offered by firms like Vonage — both convert voice into digitized packets — but instead it uses private networks.

Last year, 10% of international calls used VoIP, says research firm TeleGeography. Prepaid calling cards that charge a few pennies a minute use VoIP networks. And in countries like Brazil and Japan, VoIP calling is taking off.

In the USA, Internet phone calling has been slower to develop. A handful of start-ups, such as Vonage and Packet8, offer service that lets customers plug their traditional phones into company-supplied adapters, which, in turn, hook into any broadband line.

## Cable could drive adoption

But the big market shake-up is expected to come from heavy marketing by the cable industry, which has an existing customer base and can bundle phone with TV and Internet services.

"I think cable companies are going to take up to 20% market share" from the regional Bells, says analyst Norm Bogen of In-Stat/MDR.

VoIP is already making inroads among businesses. Nearly 10% of companies that use private networks to link their far-flung locations have moved their intra-office voice calls off the public network and onto VoIP connections, Forrester Research says. They are seeing as much as a 50% decrease in local and long-distance charges.

That's because Internet voice networks are 20% to 50% cheaper to deploy than standard ones, experts say. Traditional circuit-switched phone networks use expensive call-routing computers and wires to link you and the person you're calling for the entire conversation.

Internet-based calls break up voice into digitized "packets," each of which takes the most efficient route as it shares wires with other Internet traffic. As the packets near the destination, they are reassembled as a voice.

Within 20 years, nearly all calls will be Net-based, experts say, as even the Bells phase out old-style networks in favor of VoIP technology. "I doubt there'll be any more significant investment in" circuit-switched gear, says Bob Atkinson of the Columbia Institute for Tele-Information.

## Dial a friend through the Internet

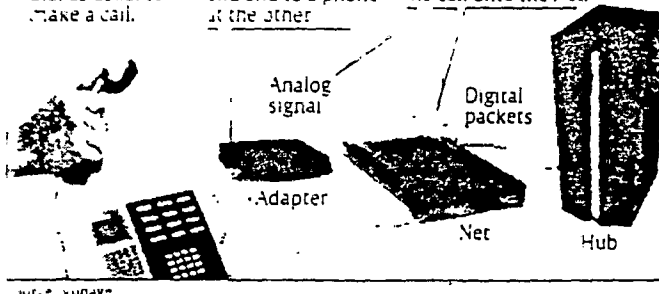
Vonage sells Internet-based phone service that is almost indistinguishable

### How it works:

Vonage sends users an adapter. Once it's connected, users dial as usual to make a call.

The adapter, which plugs into a high-speed Net connection on one end and to a phone line at the other

converts the analog signal of a phone call into the digital packets of the Internet, carrying the call onto the Net.



Verizon spokesman Eric Rabe acknowledges a transition is coming, but says it will "take a long, long time." For now, he says, "I'd be surprised if (Internet calling) were as reliable and dependable as our service."

## A rocky start for Web calling

It certainly wasn't in 1995, when firms such as Net2Phone started letting people call free from PC to PC using Internet Protocol (IP) addresses.

In the late 1990s, Cisco, Lucent and others built adapters to convert analog voice signals into packets at the caller's home, so regular phones could be used. They also developed "gateways" to translate packets and IP addresses into voice conversations and phone numbers at phone switching stations so calls could use traditional phone lines. Still, echoes and delays marred calls.

But the past few years have brought better equipment, improved technology and more high-speed lines. Ironically, the telecom crash may have spurred some of the advances. "During the downturn, a lot of the engineering went into chips and applications" for the Internet, says Jeff Pulver, a founder of both Vonage and Free World Dialup, another Internet phone start-up.

Vonage was the first company to leverage the technology with a nationwide offering last year. Besides its \$40 all-you-can-call service, it offers a \$25.99 plan with 500 minutes of long-distance. There's a \$29.99 activation fee.

Customers can use the service wherever they can plug a phone and the adapter into a broadband line — not just at home. The phone number stays with the device.

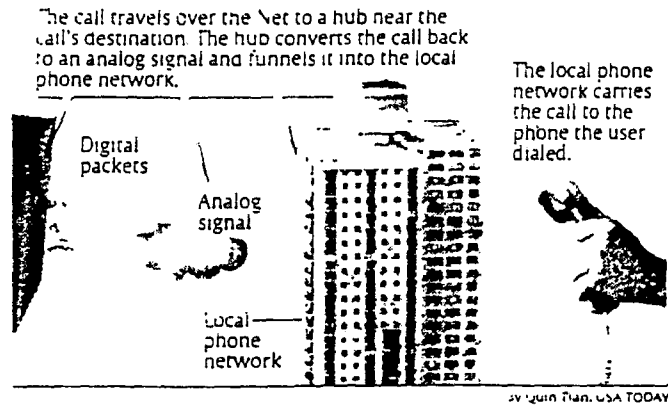
Vonage has 34,000 subscribers, is adding 1,400 a week and expects to reach 1 million by 2006. It recently made distribution deals with No. 3 Internet service EarthLink and two midtier cable firms.

"We gave consumers an experience that's almost identical to what they're used to," Vonage CEO Jeffrey Citron says.

For EarthLink, says Vice President Erika Jolly, adding voice to broadband service reduces customer defections.

# It calling more like regular calling

Available from service from local phone companies



Citron concedes quality problems in a small percentage of calls. Experts say that's partly because voice packets may sometimes have to give way to data packets as they share paths on the Internet, delaying the arrival of the voice signal.

Cable companies say their more uniform private networks are able to give priority to the voice packets, virtually eliminating such glitches. While most big cable companies have dabbled in voice offerings using standard switches, they were not planning full-scale rollouts until the arrival of reliable VoIP.

Now, four of the biggest providers — Comcast, Cox Communications, Time Warner Cable and Cablevision — plan to launch Net-style voice service across their regions in the next few years. Small providers are expected to partner with suppliers like Net2Phone and Vonage.

For cable operators, the low cost structure of VoIP calling makes local phone service "a much more attractive business to be in," says Tanya Van Court, vice president of Cablevision, which offers service in western Long Island and expects to offer it by the end of the year to all 4.4 million of its customers.

Cablevision's package is \$34.95 for unlimited local and long-distance and five phone features. For a similar package, the local Bell, Verizon Communications, charges Long Island customers \$59.95. MCI offers a \$49 bundle.

Unlike Vonage, which carries the call across the Internet all the way to wherever the recipient may be, cable companies now typically pay long-distance carriers to transport calls out of their system area, adding to their cost. Comcast, however, is building its own national IP network to skirt those fees.

## New phone features a draw

Van Court says the big selling point for Web-based calling will be a whole new range of features. "We think that a year or two from now, customers won't be interested in standard telephone service. They'll be interested in how to enhance their Internet experience with voice."

She cites integrated text- and voice-based chats and the ability to use your PC to customize phone features in real time. For example, you can forward calls

to another number, then have them go to voice mail if there's no answer. And Time Warner Cable is looking to provide Caller ID and voice mail notification on your TV screen, doing away with the need to get up from the recliner when the phone rings, says Gerry Campbell, senior vice president for voice for Time Warner, which now has about 1,600 customers in the Portland, Maine, and Rochester, N.Y., areas paying \$39.95 for an unlimited calling service.

"We've cut our phone bill in half," says Sandy Franklin, 54, of Gorham, Maine. The service, she says, had some glitches in the initial weeks, but has worked seamlessly since.

Says Cox Communications' Dianna Mogelgaard: "We're looking to be the primary telephone provider." And while Cablevision requires voice customers to also subscribe to high-speed service, Comcast says subscribers will simply need access to a cable

broadband line.

The technology has drawbacks. Internet-based phones won't work during a power outage. Most cable companies are considering equipping their modems with battery packs that last up to 16 hours. Cordless regular phones have the same power issue, however. And the prevalence of cellphones has made it less of a concern.

More significant, Vonage customers must register for 911 service. Even then, dispatchers cannot see the caller's phone number and address automatically, as they do with a call from a traditional phone. For that reason, many subscribers use Vonage as a second phone line.

But cost alone has businesses already embracing Net calling. Last year, the Appleton School District in Wisconsin replaced its phone system with a Mitel Systems IP network linking its 26 schools. Now, phone calls between the schools travel over the same private lines that carry data, slashing phone bills 40%.

For Crate & Barrel, a similar IP network from SBC for its Northbrook, Ill., headquarters means not having to run new wires when employees move offices, says phone manager Mark Carrier. And the system lets employees use the phone screen to dial a colleague by clicking on a directory name and even to check weather and stocks.

SBC also is rolling out a service that would permit corporate employees to plug their IP phones and laptops into any broadband line.

One price edge for Net-based calls may be short-lived, however. Because Internet traffic is unregulated, IP voice customers don't pay most phone taxes, such as universal service fees. But as the market grows, the Federal Communications Commission is expected to impose such charges.

Also, several states may raise the fees VoIP carriers such as AT&T pay the Bells to transfer Internet-based calls to their local networks, bringing those charges a bit closer to regular voice calls. Yet IP calls should still be cheaper, and observers eventually expect giants like AT&T and MCI to offer the service — on their own or by buying start-ups such as Vonage.

"When that happens, 'People are going to sign up for it in large volumes,'" says AT&T Vice President Robert Quinn.



STATE OF SOUTH CAROLINA                 )  
  ) CERTIFICATE OF SERVICE  
COUNTY OF RICHLAND                         )

The undersigned, Nyla M. Laney, hereby certifies that she is employed by the Legal Department for BellSouth Telecommunications, Inc. ("BellSouth") and that she has caused BellSouth Telecommunications, Inc.'s Direct Testimony of John A. Ruscilli in Docket No. 2002-367-C and 2002-408-C to be served upon the following this July 23, 2003:

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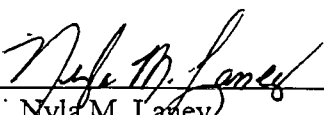
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